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FEDERAL REGISTER

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Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission PART 25—FEDERAL EMPLOYEES PAY REGULATIONS

Miscellaneous Amendments

1. Effective on the first day of the first pay period after October 11, 1962, the following sections of Part 25 are amended as set out below.

§ 25.102 Definitions.

(d) "Existing rate of basic compensation" is the rate received immediately prior to the effective date of a transfer, promotion, repromotion, demotion, or within-grade increase.

§ 25.103 General provisions.

(b) Position or appointment changes.

(1) Subject to the mandatory requirements of paragraph (g) of this section and § 25.104, an employee who is reemployed, transferred, reassigned, promoted, repromoted or demoted, may be paid at any rate for his grade which does not exceed his highest previous rate. If the employee's previous rate falls between two rates of his new grade, he may be given the higher rate. If the employee's existing rate of basic compensation is less than the minimum rate of the new grade, his compensation shall be increased to the minimum rate.

(2) An employee whose type of appointment is changed in the same position may continue to be paid at his existing rate or may be paid at any higher rate for his grade which does not exceed his highest previous rate; and if his highest previous rate falls between two rates of his grade, he may be given the higher rate.

(c) *Computation of highest previous rate.* (1) The highest previous rate must be based on a regular tour of duty at such rate (i) under an appointment not limited to 90 days or less, or (ii) for a continuous period of not less than 90 days under one or more appointments without a break in service.

(2) If such highest previous rate was earned in a Classification Act position, it shall be increased by any subsequent amendments to the Classification Act pay schedules. If such highest previous rate was earned in a position not subject to the Classification Act, this rate shall be computed as follows: The actual rate earned at the time of such service shall be converted to the equivalent per annum rate under the Classification Act as of the time of such service; where there was no exact equivalent per annum rate under the Classification Act, the next higher Classification Act rate shall be considered an equivalent; where the rate

thus determined falls within two or more grades under the Act, the rate in the grade which gives the employee the maximum benefit shall be used; the equivalent Classification Act rate thus determined shall be converted to the equivalent per annum rate under the current Classification Act pay schedule and shall be the employee's highest previous rate.

(g) *Conversion actions.* Where an employee occupies a position not subject to the Classification Act, and the employee together with his position is initially brought under the Act pursuant to a Reorganization Plan or other legislation, and Executive order of the President, or a decision of the Civil Service Commission under section 203 of the Act, the employee's rate of basic compensation shall be determined as follows:

(1) If the employee is receiving a rate of basic compensation less than the minimum rate of the grade in which his position is placed, his compensation shall be increased to the minimum rate.

(2) If the employee is receiving a rate of basic compensation equal to a rate of the grade in which his position is placed, his compensation shall be fixed at that rate.

(3) If the employee is receiving a rate of basic compensation at a rate between two rates of the grade in which his position is placed, his compensation shall be fixed at the higher of the two rates.

(4) If the employee is receiving a rate of basic compensation in excess of the maximum rate of the grade in which his position is placed, he shall be entitled to retain his former rate as long as he remains continuously in the same position or in a position of higher grade in the same agency, or until he receives a higher rate by reason of the operation of the Act and this Part. He may retain his former rate upon subsequent reassignment, as defined in § 25.102(k). If the employee is subsequently demoted to a position under the Act, his rate of basic compensation shall be determined in accordance with paragraph (b) of this section and Subpart D, as appropriate.

§ 25.104 Special provisions.

(a) *Promotions and transfers.* The requirements of section 802(b) of the Act, including those requirements which apply to employees with retained rates who are promoted during a retention period, apply in repromotion actions and in transfers involving promotions between Classification Act grades.

§ 25.155 Equivalent increase.

An equivalent increase is an increase equal to or greater than the amount of the within-grade increase for the grade in which the employee is serving or last

served during the waiting period under consideration; however, for grade GS-3 the amount of the equivalent increase for employees in rates 1 through 6 is \$105, in rate 7 is \$110, and in rates 8 and above is \$125. When an employee receives more than one increase in basic compensation within his current waiting period, no one of which is an equivalent increase, first and subsequent increases shall be added until a total is reached which is equal to or greater than the amount of an equivalent increase, at which time the employee is deemed to have received an equivalent increase.

(Sec. 1101, 63 Stat. 971; 5 U.S.C. 1072)

2. Effective May 10, 1963, the following sections in Subpart D of Part 25 are amended as set out below, and the present § 25.415 *Appeals* is renumbered § 25.416.

§ 25.401 Purpose.

The purpose of this subpart is to provide instructions necessary to administer section 507 of the Classification Act, as amended, and to carry out the intent of the Congress in establishing salary retention benefits for Classification Act employees who are demoted without fault of their own and not in a reduction in force due to lack of funds or curtailment of work.

§ 25.402 Definitions.

As used in this subpart, the term:

(a) "Act" means the Classification Act of 1949, as amended.

(d) "Employee" means any civilian officer or employee in a Classification Act position.

(e) "Salary retention" is an employee's entitlement to be paid at a rate fixed under the provisions of the Act and this subpart, and includes those rates preserved by section 2 of the Salary Retention Act.

(g) "Salary retention period" means the period of not to exceed two continuous years during which an employee is entitled to salary retention under section 507 of the Act.

§ 25.404 Entitlement.

Any employee reduced from one Classification Act grade to another, who qualifies under section 507 of the Act and this subpart, is entitled to salary retention.

§ 25.409 Continuous service.

The period of two years of continuous service required immediately prior to a demotion must be served by an employee in a Classification Act position or in a position covered by § 25.103(g). This period includes any period or periods in a nonpay status occurring in the two-year period. Similarly, the salary retention period after demotion includes any period or periods in a nonpay status.

§ 25.412 Rate determination.

(a) At the time of the employee's demotion, his department shall select a rate in the grade to which he is demoted which would have been the employee's rate of basic compensation if he were not entitled to a retained rate. When the department does not select a higher rate permissible under the provisions of § 25.103(b), the rate shall be determined as follows:

(1) When the employee's retained rate is equal to a rate in the grade to which he is demoted, that rate shall be selected.

(2) When the employee's retained rate falls between two rates of the grade to which he is demoted, the lower of the two rates shall be selected.

(3) When the employee's retained rate is above the maximum rate of the grade to which he is demoted, the maximum rate shall be selected.

(b) At the time of the employee's demotion, the department shall record in the employee's Official Personnel Folder the rate selected in accordance with this paragraph and shall make and record all determinations of entitlement to within-grade increases on this rate during the salary retention period.

§ 25.414 Within-grade increases.

An employee with a retained rate which is less than the maximum rate of his grade is eligible for within-grade increases, in accordance with the regulations governing within-grade increases, in the grade in which he is serving and on the rate selected in accordance with § 25.412(a).

§ 25.415 Pay adjustment.

When a retained rate is terminated by reason of the expiration of the salary retention period, an employee shall have his rate of basic compensation adjusted within the grade in which he is serving to the rate previously selected in accordance with § 25.412(a), together with any within-grade increases to which the employee became entitled during the salary retention period.

(Sec. 1101, 63 Stat. 971, sec. 113, 68 Stat. 1108; 5 U.S.C. 1072, 1072a)

UNITED STATES CIVIL SERVICE COMMISSION,
MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 63-5062; Filed, May 9, 1963; 8:50 a.m.]

Title 7—AGRICULTURE**Chapter VIII—Agricultural Stabilization and Conservation Service (Sugar), Department of Agriculture****SUBCHAPTER B—SUGAR REQUIREMENTS AND QUOTAS**

[Sugar Reg. 811, Amdt. 5]

PART 811—CONTINENTAL SUGAR REQUIREMENTS AND AREA QUOTAS**Requirements, Quotas and Quota Deficits for 1963**

Basis and purpose and statement of bases and considerations. The purpose

of this amendment to Sugar Regulation 811 (27 F.R. 12340; 28 F.R. 715, 1099, 1981, 2928 and 3438) is to revise the determination of sugar requirements for the calendar year 1963, establish quotas, prorations and allocations and direct-consumption limits thereof consistent with such requirements and to determine and prorate or allocate deficits pursuant to the Sugar Act of 1948, as amended (61 Stat. 922), hereinafter referred to as the "Act".

Section 201 of the Act requires that the Secretary shall revise the determination of sugar requirements at such times during the calendar year as may be necessary.

Secondary sugar distributors and users have been adding to their inventories rather steadily since the beginning of the year. Sugar distribution through April 19 was about 300,000 short tons, or 13 percent in excess of that for the comparable period last year. Meanwhile, the wholesale prices for refined sugar have risen in all parts of the country with the largest increase in the Northeast. That section of the country is completely dependent on offshore sources for its sugar supplies and the price there has risen from 9.9 cents per pound on January 1 to 12.10 cents as of April 30. The level of domestic raw sugar prices is considerably in excess of the price objectives of the Act. Accordingly, it now appears necessary to increase the estimate of requirements for the calendar year 1963 by 600,000 short tons, raw value, to a total of 10,400,000 short tons, raw value.

Section 204(a) of the Act provides that the Secretary shall from time to time determine whether any area or country will be unable to fill its quota or proration of a quota. On the basis of the quota established for the Domestic Beet Sugar Area and Puerto Rico for the calendar year 1963 in § 811.11 of this chapter and the supply of sugar expected to be available from those areas for marketing in the continental United States during the calendar year 1963, it is herein found that the Domestic Beet Sugar Area will be unable to fill the increase in its quota by a quantity of 291,537 short tons, raw value, and Puerto Rico will be unable to fill its quota by 270,000 short tons, raw value. These quantities, plus 11,908 short tons, raw value, representing the quota prorations for the United Kingdom, Canada, Hong Kong, and the Netherlands which these countries will be unable to fill because of the limitations provided in section 202(e) of the Act are herein determined to be deficits in quotas.

It is also determined herein that the Republic of the Philippines will be unable to fill its statutory share of such deficits by 100,000 short tons, raw value, and that Western Hemisphere countries also will be unable to supply this additional quantity of sugar. Accordingly, pursuant to section 204(a) of the Act, this quantity of 100,000 short tons, raw value, is hereby added to the quantity otherwise available for authorization for purchase and importation from foreign countries as a group under the provisions of section 202(c) (4) (A) of the Act.

The total deficits herein determined, amounting to 573,445 short tons, raw value, represent deficits previously determined of 220,000 tons for Puerto Rico and 11,173 tons from four net-importing countries, plus new deficits amounting to 291,537 tons for the Domestic Beet Sugar Area, 50,000 tons for Puerto Rico, and 735 tons for the Netherlands which is withheld since it is a net-importing country. The deficits determined for the Domestic Sugar Beet Area and Puerto Rico will not decrease their marketing opportunities within their respective quotas.

This action increases the amount of sugar determined to be needed to meet the requirements of consumers in the continental United States by 600,000 short tons, raw value, provides for an additional 48,463 short tons, raw value, in domestic quotas, increases the effective quotas for individual countries named in § 811.13(c) (1) by 87,948 short tons, raw value, establishes additional deficits of 242,272 short tons, raw value, that may be authorized for importation from the Republic of the Philippines and Western Hemisphere countries as a group, and increases by 221,317 short tons, raw value, the quantity of sugar that may be authorized for purchase and importation from all countries as a group (Global Quota).

Effective date. In order to obtain needed supplies of sugar without delay and to promote orderly marketing, it is essential at this time that all persons selling and purchasing sugar for consumption in the continental United States be informed as soon as possible of the changes in marketing opportunities. Therefore, it is hereby determined and found that compliance with the notice, procedure and effective date requirements of the Administrative Procedure Act is unnecessary, impracticable, and contrary to the public interest and the amendment herein shall become effective when filed for public inspection in the Office of the Federal Register.

By virtue of the authority vested in the Secretary of Agriculture by the Act, Part 811 of this Chapter is hereby amended as follows:

1. Section 811.10 is amended to read as follows:

§ 811.10 Sugar requirements, 1963.

The amount of sugar needed to meet the requirements of consumers in the continental United States for the calendar year 1963 is hereby determined to be 10,400,000 short tons, raw value.

2. Section 811.11 is amended to read as follows:

§ 811.11 Quotas for domestic areas.

(a) (1) For the calendar year 1963 domestic area quotas limiting the quantities of sugar which may be brought into or marketed for consumption in the continental United States are established, pursuant to section 202(a) of the Act, in column (1) and the amounts of such quotas for offshore areas that may be filled by direct-consumption sugar are established, pursuant to section 207 of the Act, in column (2), as follows:

(Short tons, raw value)

Area	Quotas (1)	Direct-con- sumption limits (2)
Domestic beet sugar.....	2,990,127	(1)
Mainland cane sugar.....	1,009,873	(1)
Hawaii.....	1,110,000	35,568
Puerto Rico.....	1,140,000	156,000
Virgin Islands.....	15,000	0

* No limit.

(2) It is hereby determined pursuant to section 204(a) of the Act, that for the calendar year 1963 the Domestic Beet Sugar Area and Puerto Rico will be unable to fill the quotas established for such areas in subparagraph (1) of this paragraph by the following quantities in short tons, raw value: Domestic Beet Sugar Area—291,537, and Puerto Rico—270,000. Pursuant to section 204(b) of the Act the determination of deficits shall not affect the quotas established in subparagraph (1) of this paragraph.

(b) Of the quantity established in paragraph (a) of this section for Puerto Rico which may be filled by direct-consumption sugar, 126,033 short tons, raw value, may be filled only by sugar principally of crystalline structure.

3. Paragraph (a) of § 811.12 is amended to read as follows:

§ 811.12 Proration and allocation of deficits and quotas in effect.

(a) The deficits in quotas determined in paragraph (a) (2) of § 811.11 amounting to a total of 561,537 short tons, raw value, plus 11,908 short tons, raw value, withheld from net-importing countries as provided in section 202(e) of the Act, are hereby prorated pursuant to section 204(a) of the Act as follows: by prorating 157,618 short tons, raw value, to the Republic of the Philippines as set forth in paragraph (b) (2) of § 811.13, which is herein determined to be the extent of its ability to fill its share of the deficit, by prorating 315,827 short tons, raw value, to Western Hemisphere countries named in section 202(c) (3) (A) of the Act which have quota prorations established for them in this Part, which is herein determined to be the extent of the ability of such countries to fill their share of the deficit and by adding 100,000 short tons, raw value, to the quantity of sugar which may be purchased pursuant to section 202(c) (4) (A) of the Act and which is made available for purchase and importation under paragraph (e) of § 811.13. The quantity of 315,827 short tons, raw value, prorated to Western Hemisphere countries under this paragraph (a) shall be allocated to individual countries on the basis of applications for set-aside of quota or applications for release in accordance with the order of priority as specified in Part 817 of this chapter: *Provided, That*, Whenever the unfilled balance of the quantity that is authorized for allocation to Western Hemisphere countries under this paragraph (a) is less than the total quantity covered by applications that are eligible at any one time for approval under the provisions of § 817.6 (b) of this chapter, the procedures pro-

vided for in § 817.6(b) of this chapter shall be modified to give priority among such applications to those applications which are accompanied by proposals to purchase United States agricultural commodities.

4. Paragraphs (b) (2), (c) (1), (e) (1) and subdivision (iii) of paragraph (e) (3) of § 811.13 are amended to read as follows:

§ 811.13 Quotas for foreign countries.

(b) (1) * * *

(2) In addition to the quantity of 1,050,000 short tons, raw value, for the Republic of the Philippines in subparagraph (1) of this paragraph, a quantity of 157,618 short tons, raw value, representing a proration of a quota deficit as provided in § 811.12(a), is added to and established as a part of the quota for such country. Such quantity of 157,618 short tons, raw value, of sugar may be imported only as raw sugar and upon the condition that the import fee set forth in paragraph (b) of § 811.14 is paid with respect to such quantity as provided in such section.

(c) (1) For the calendar year 1963 the prorations or allocations for individual foreign countries of the quota for foreign countries other than the Republic of the Philippines pursuant to section 202(c) (3) of the Act are as follows:

Country:	Short tons, raw value
Peru	206,243
Dominican Republic.....	206,243
Mexico	206,243
Brazil	195,793
British West Indies.....	98,050
Australia	43,339
Republic of China.....	38,114
French West Indies.....	32,581
Colombia	32,581
Nicaragua	27,048
Costa Rica.....	27,048
Ecuador	27,048
India	21,823
Haiti	21,823
Guatemala	21,823
South Africa.....	21,823
Panama	16,290
El Salvador.....	11,065
Paraguay	10,758
British Honduras.....	10,758
Fiji Islands.....	10,758
Ireland	10,000
Belgium	182

On the basis of information available, it is found that in the calendar year 1962 the aggregate exports of sugar in each case from the United Kingdom, Canada, Hong Kong and the Netherlands to countries other than the United States did not equal or exceed the aggregate imports into each of such countries. Consequently, under the provisions of section 202(e) of the Act, sugar may not be exported from such countries to the United States, during 1963 to fill the following quota prorations for the calendar year 1963 in short tons, raw value: United Kingdom, 516; Canada, 631, Hong Kong, 3; and the Netherlands 10,758.

(e) (1) For the calendar year 1963 the quantity of sugar available for authorization for purchase and importation

from foreign countries as a group, in addition to the quantities established as the quota for the Republic of the Philippines in paragraph (b) of this section, the quota prorations or allocations for individual foreign countries in paragraph (c) of this section, and deficit prorations to Western Hemisphere countries as a group under § 811.12(a), is 1,725,658 short tons, raw value. This total quantity shall be authorized at this time for purchase and importation from foreign countries as a group on the following basis.

(3) * * *

(iii) The quantity of 1,725,658 short tons, raw value, less than quantities committed under paragraph (a) of this section and under subdivisions (i) and (ii) of this subparagraph (3) is authorized for purchase and importation on or before November 15, 1963, subject to the provisions of subparagraph (4) of this paragraph (e), except that all Quota Set-aside Applications and Agreements received on or before May 15, 1963, may be considered as having been received on such date.

(Sec. 403, 61 Stat. 932, 7 U.S.C. 1153. Interprets or applies secs. 201, 202 and 204. 61 Stat. 923, as amended, 924, as amended, 925, as amended; 7 U.S.C. 1111, 1112, 1114)

Done at Washington, D.C., this 6th day of May 1963.

CHARLES S. MURPHY,
Acting Secretary.

[F.R. Doc. 63-5059; Filed, May 9, 1963; 8:50 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

PART 1421—GRAINS AND RELATED COMMODITIES

Subpart—General Regulations Governing Price Support for the 1963 and Subsequent Crops

Correction

In F.R. Doc. 63-3115 appearing in the issue for Saturday, March 23, 1963, at page 2890, in § 1421.23(a) (2), second sentence, the word "support" should read "subpart".

[C.C.C. Grain Price Support Regs., 1963—Crop Flaxseed Supp.]

PART 1421—GRAINS AND RELATED COMMODITIES

Subpart—1963-Crop Flaxseed Loan and Purchase Agreement Program

The C.C.C. Grain Price Support Regulations Governing Price Support for the 1963 and Subsequent Crops (28 F.R. 2890) issued by the Commodity Credit Corporation which contain regulations of a general nature with respect to price support operations are supplemented for the 1963-crop of flaxseed as follows:

Sec.
1421.3001 Purpose.

Sec.

1421.3002	Availability of price support.
1421.3003	Eligible flaxseed.
1421.3004	Determination of quality.
1421.3005	Determination of quantity.
1421.3006	Warehouse receipts.
1421.3007	Warehouse charges.
1421.3008	Maturity of loans.
1421.3009	Support rates.

AUTHORITY: §§ 1421.3001 to 1421.3009 issued under sec. 4, 62 Stat. 1070, as amended; sec. 5, 62 Stat. 1072; secs. 301, 401, 63 Stat. 1054; 15 U.S.C. 714 b and c, 7 U.S.C. 1447, 1421.

§ 1421.3001 Purpose.

This supplement contains additional program provisions which, together with the applicable provisions of the General Regulations Governing Price Support for the 1963 and Subsequent Crops and any amendments thereto, apply to loans and purchase agreements for 1963-crop flaxseed.

§ 1421.3002 Availability of price support.

Price support loans and purchase agreements will be available from harvest through October 31, 1963, in Arizona and California, and from harvest through January 31, 1964, in all other States. Only direct purchases will be available in Texas counties designated under the 1961 and Subsequent Crop Texas Flaxseed Purchase Programs (26 F.R. 3979).

§ 1421.3003 Eligible flaxseed.

The flaxseed must meet the requirements of this section in addition to other eligibility requirements of the program in order to be eligible for price support.

(a) *Production.* Flaxseed must not have been produced on diverted acreage under the 1963 Wheat Stabilization Program Regulations (27 F.R. 12430) and any amendments thereto or on diverted acreage under the 1963 Feed Grain Program Regulations and any amendments thereto.

(b) *Grade requirements.* Flaxseed when placed under loan and flaxseed under purchase agreement which is in approved warehouse storage prior to notification by a producer of his intention to sell to CCC, must grade No. 1 or 2.

(c) *Poisonous substances.* The flaxseed must not contain mercurial compounds or other substances poisonous to man or animals.

(d) *Purchase agreement—predelivery inspection.* Except as otherwise provided in § 1421.23(b)(3), flaxseed under purchase agreement stored in other than approved warehouse storage must meet the grade and quality requirements of paragraphs (b) and (c) of this section on the basis of a predelivery inspection.

§ 1421.3004 Determination of quality.

The grade, grading factors, and all other quality factors shall be based on the Official Grain Standards of the United States for flaxseed, whether or not the determination is made on the basis of an official inspection.

§ 1421.3005 Determination of quantity.

(a) *In warehouse.* The quantity of flaxseed in an approved warehouse for the purpose of loans and purchase agreements shall be the net weight specified

on the warehouse receipt, or on the supplemental certificate if applicable.

(b) *On farm.* The quantity of flaxseed placed under farm-storage loan may be determined either by weight or by measurement. The quantity acquired under a farm-storage loan or a purchase agreement shall be determined by weight. When the quantity is determined by weight, a bushel shall be 56 pounds of flaxseed free of dockage. In determining the quantity of sacked flaxseed by weight, a deduction of three-fourths of a pound for each sack shall be made.

(c) *Adjustment for test weight.* When the quantity is determined by measurement, a bushel shall be 1.25 cubic feet of flaxseed testing 56 pounds per bushel. The quantity determined for flaxseed of a different test weight shall be adjusted by the applicable percentage in the following table:

Test weight (pounds per bushel):	Percent
56 or over	100
55 or over, but less than 56	98
54 or over, but less than 55	96
53 or over, but less than 54	94
52 or over, but less than 53	92
51 or over, but less than 52	90
50 or over, but less than 51	88
49 or over, but less than 50	85
48 or over, but less than 49	83
47 or over, but less than 48	81

(d) *Dockage.* The percentage of dockage shall be determined and the weight of such dockage shall be deducted from the gross weight of the flaxseed in determining the net quantity available for loan or purchase.

§ 1421.3006 Warehouse receipts.

(a) *Entries.* Each warehouse receipt, or the warehouseman's supplemental certificate properly identified with the warehouse receipt, must show: (1) Gross weight, and net bushels, (2) grade, (3) test weight, (4) moisture, (5) dockage, (6) percentage of damage when such factor, and not test weight, determines the grade, and (7) whether the flaxseed arrived by car, truck or barge. A separate warehouse receipt must be submitted for each grade of flaxseed.

(b) *Liens.* The warehouse receipt may be subject to liens for warehouse charges only to the extent indicated in § 1421.3007.

(c) *In-transit movement.* Warehouse receipts representing flaxseed which has been shipped by rail or water from a country shipping point to a designated terminal point, or shipped by rail or water from a country shipping point to a storage point and stored in transit to a designated terminal point, must be accompanied by registered freight bills, or by a certificate containing similar information. These registered freight bills or certificates must be representative as to origin and date of movement of the flaxseed. The form of these certificates will be prescribed by the ASCS commodity office and shall be signed by the warehouseman and may be made a part of the supplemental certificate.

§ 1421.3007 Warehouse charges.

(a) *Handling and storage liens.* Warehouse receipts and the flaxseed represented thereby stored in approved warehouses operating under the Uniform

Grain Storage Agreement may be subject to liens for warehouse handling and storage charges at not to exceed the Uniform Grain Storage Agreement rates from the date it is deposited in the warehouse for storage. Warehouse receipts and the flaxseed represented thereby stored in approved warehouses operated by Eastern common carriers may be subject to liens for warehouse elevation (receiving and delivering) and storage charges from the date of deposit at rates approved by the Interstate Commerce Commission. In no event shall a warehouseman be entitled to satisfy the lien by sale of the flaxseed when CCC is holder of the warehouse receipt.

(b) *Deduction of storage charges—UGSA warehouses.* The table below provides the deductions for storage charges (gross weight basis) to be made from the amount of the loan or purchase price in the case of flaxseed stored in an approved warehouse operated under the Uniform Grain Storage Agreement. Such deduction shall be based on entries shown on the warehouse receipts. If written evidence is submitted with the warehouse receipt that all warehouse charges except receiving and loading out charges have been prepaid through the applicable loan maturity date, no storage deduction shall be made. If such written evidence is not submitted, the date to be used for computing the storage deduction on flaxseed stored in warehouses operating under the Uniform Grain Storage Agreement shall be the latest of the following: (1) The date of deposit, (2) the date storage charges start, or (3) the day following the date through which the storage charges have been paid. If none of the foregoing dates are shown, the date of the warehouse receipt shall be used.

SCHEDULE OF DEDUCTIONS FOR STORAGE CHARGES BY MATURITY DATES

Maturity date of Jan. 31, 1964	Deduction (cents per bushel—gross weight basis)	Maturity date of Mar. 31, 1964
Storage start date 1	12	Storage start date, ¹ Prior to May 27, 1963.
Prior to Apr. 24, 1963.	11	May 27 to June 22, 1963.
Apr. 24 to May 20, 1963.	10	June 23 to July 19, 1963.
May 21 to June 16, 1963.	9	July 20 to Aug. 15, 1963.
June 17 to July 13, 1963.	8	Aug. 16 to Sept. 11, 1963.
July 14 to Aug. 9, 1963.	7	Sept. 12 to Oct. 8, 1963.
Aug. 10 to Sept. 5, 1963.	6	Oct. 9 to Nov. 4, 1963.
Sept. 6 to Oct. 2, 1963.	5	Nov. 5 to Dec. 1, 1963.
Oct. 3 to Oct. 29, 1963.	4	Dec. 2 to Dec. 28, 1963.
Oct. 30 to Nov. 25, 1963.	3	Dec. 29, 1963, to Jan. 24, 1964.
Nov. 26 to Dec. 22, 1963.	2	Jan. 25 to Feb. 20, 1964.
Dec. 23, 1963, to Jan. 31, 1964.	1	Feb. 21 to Mar. 31, 1964.

¹ All date inclusive.

(c) *Deduction of storage charges—Eastern common carriers.* In the case of flaxseed stored in an approved warehouse operated by an Eastern common carrier, there shall be deducted in computing the loan or purchase price the

amount of the approved tariff rate for storage (not including elevation), which will accumulate from the date of deposit through the applicable maturity date unless written evidence is submitted with the warehouse receipt that such charges have been prepaid. The county office shall request the ASCS commodity office to determine the amount of such charges. Where the producer presents evidence showing the elevation charges have been prepaid, the amount of the storage charges to be deducted shall be reduced by the amount of the elevation charges prepaid by the producer.

§ 1421.3008 Maturity of loans.

Unless demand is made earlier, loans on flaxseed stored in Arizona and California mature on January 31, 1964, and loans on flaxseed stored in all other States mature on March 31, 1964.

§ 1421.3009 Support rates.

This section will be added later by amendment.

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on May 7, 1963.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 63-5060; Filed, May 9, 1963;
8:50 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER A—MEAT INSPECTION REGULATIONS

PART 27—IMPORTED PRODUCTS

Eligibility of Foreign Countries and Establishments

On February 13, 1963 there was published in the FEDERAL REGISTER (28 F.R. 1374), as F.R. Doc. 63-1573, a notice of a proposal to amend § 27.2(a) of the Federal Meat Inspection Regulations (9 CFR 27.2(a)), pursuant to section 306 of the Act of June 17, 1930, as amended (19 U.S.C. 1306), to specify criteria for the determination of the eligibility of foreign meat inspection systems for approval under the regulations; to provide for determination and certification, by the foreign governments, of foreign establishments which meet the requirements of the regulations; and to provide for physical reviews of the foreign meat inspection systems in operation and observation of the establishments certified as meeting the requirements.

After due consideration of all relevant matters, and pursuant to the authority cited above, the amendment as set forth in said notice is hereby adopted, to become effective upon publication in the FEDERAL REGISTER, as follows:

§ 27.2 Eligibility of foreign countries for importation of product into the United States.

(a) Whenever it shall be determined by the Administrator that the system of meat inspection maintained by any foreign country is the substantial equivalent of, or is as efficient as, the system established and maintained by the United States and that reliance can be placed upon certificates required under this part from authorities of such foreign country, notice of that fact will be given by including the name of such foreign country in paragraph (b) of this section, and thereafter product prepared in establishments in such foreign country, which are approved in accordance with subparagraph (2) of this paragraph, shall be eligible for importation into the United States from such foreign country after applicable requirements of Parts 1 through 29 of this subchapter have been met.

(1) The determination of acceptability of a foreign meat inspection system shall be based on an evaluation of the foreign program in accordance with the following requirements and procedures:

(i) The system shall have a program organized and administered by the national government making the request for eligibility;

(ii) The legal authority for the system and regulations thereunder shall make adequate requirements with respect to:

(a) Veterinary ante mortem inspection of animals for slaughter;

(b) Veterinary post mortem inspection of carcasses at time of slaughter;

(c) Controls over establishment facilities;

(d) Requirements for sanitary handling of product;

(e) Supervision of all operations to assure wholesomeness of product and freedom from adulteration;

(f) Other matters as provided in applicable Parts 1 through 29 of this subchapter.

(iii) A review of the foreign meat inspection system in operation shall be made at stated times by an official representative of the Department after the system has been found to meet the requirements of subdivisions (i) and (ii) of this subparagraph.

(2) Official establishments operating under the foreign system will be approved for purposes of this section if they are determined and certified to the Department, by a responsible official of the foreign meat inspection organization, as fully meeting the requirements specified in subparagraphs (1) (i) and (ii) of this paragraph, but subject to review by the Department (including observation of the establishments by Division representatives at stated times).

Product from foreign countries not listed in paragraph (b) of this section is not eligible for importation into the United States, except as provided by § 27.18. The listing of any foreign country under this section may be with-

drawn whenever it shall be determined by the Administrator that the system of meat inspection maintained by such foreign country is not the substantial equivalent of, or is not so efficient as, the system established and maintained by the United States, or that reliance cannot be placed upon certificates required under this part from authorities of such foreign country; or that, for lack of current information concerning the system of meat inspection being maintained by such foreign country or for any other reason, such foreign country should reestablish its eligibility for listing.

This amendment formalizes requirements and procedures now observed in determining the eligibility of foreign meat inspection systems for approval under the regulations and specifies additional requirements and procedures deemed necessary to assume that meats and meat food products imported into the United States are fit for human food and in compliance with the regulations. In order to be of maximum protection to consumers in the United States, the amendment should become effective without delay. Therefore under section 4 of the Administrative Procedure Act (5 U.S.C. 1003) good cause is found for making the amendment effective less than 30 days after its publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 6th day of May, 1963.

M. R. CLARKSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 63-5058; Filed, May 9, 1963;
8:50 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER E—AIRSPACE [NEW]

[Airspace Docket No. 62-WE-139]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Designation of Control Zone

On February 19, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 1556) stating that the Federal Aviation Agency proposed to designate a part-time control zone at Modesto, Calif.

Interested persons have been afforded an opportunity to participate in the making of the rule herein adopted, and no adverse comments were received regarding the proposed amendment.

The Air Transport Association of America (ATA), although concurring with the proposal, requested that the Federal Aviation Agency explore the possibility of establishing straight-in approach capabilities to the Modesto City-County Airport from the north and

south. The FAA will evaluate this possibility and, if feasible, will take appropriate action at a later date.

Subsequent to the publication of the notice, the FAA found it necessary to revise the instrument approach procedures at Modesto City-County Airport to avoid obstructions within the final approach areas. The extension proposed on the 302° True radial will be changed to the 291° True radial and the extension proposed on the 154° True radial will be changed to the 153° True radial.

The substance of the proposed amendment having been published and for the reasons stated herein and in the notice, the following action is taken:

Section 71.171 (27 F.R. 220-91, November 10, 1962) is amended by adding the following:

Modesto, Calif.

Within a 5-mile radius of Modesto City-County Airport (latitude 37°37'35" N., longitude 120°57'15" W.), within 2 miles each side of the Modesto VOR 291° radial, extending from the 5-mile radius zone to 8 miles west of the VOR, and within 2 miles each side of the Modesto VOR 153° radial, extending from the 5-mile radius zone to 8 miles SE of the VOR, excluding the portion within R-2514. This control zone is effective from 0630 to 1900 hours, local time, daily.

This amendment shall become effective 0001 e.s.t., August 22, 1963.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5010; Filed, May 9, 1963;
8:45 a.m.]

[Airspace Docket No. 63-WA-36]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Revocation and Designation of Reporting Points

The purpose of these amendments to § 71.203 and § 71.207 is to revoke the Crown Point, N. Mex., VOR, Klamath Falls, Oreg., LFR, Redmond, Oreg., LFR, Whitmore, Calif., LFR and Thermal, Calif., VORTAC and designate the Blythe, Calif., VORTAC as reporting points. Air traffic control requirements periodically change with regard to specific reporting points due to modifications of operating procedures or alterations to airway configurations. Recent changes of this nature obviate the requirements for the Crown Point, N. Mex., VOR, the Klamath Falls, Oreg., Redmond, Oreg., Whitmore, Calif., LFR's and the Thermal, Calif., VORTAC as reporting points and require that the Blythe, Calif., VORTAC be so designated. Therefore, action is taken herein to revoke and designate, as appropriate, these reporting points.

Since these amendments are procedural in nature and do not involve the designation of airspace, notice and public procedure are unnecessary. However, since it is necessary that sufficient time be allowed to permit appropriate changes to be made on aeronautical charts, these

amendments will become effective more than 30 days after publication.

In consideration of the foregoing, the following actions are taken:

1. In the text of § 71.203 (27 F.R. 220-157, November 10, 1962) "Crown Point, N. Mex.", "Klamath Falls, Oreg., RR", "Redmond, Oreg., RR", and "Whitmore, Calif., RR" are revoked.

2. In the text of § 71.207 (27 F.R. 220-170, November 10, 1962) "Thermal, Calif." is revoked and "Blythe, Calif." is added.

These amendments shall become effective 0001 e.s.t., June 27, 1963.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5011; Filed, May 9, 1963;
8:45 a.m.]

[Airspace Docket No. 63-SW-6]

PART 75—ESTABLISHMENT OF JET ROUTES [NEW]

Alteration of Jet Route

The purpose of this amendment to Part 75 [New] of the Federal Aviation Regulations is to alter the segment of Jet Route No. 35 from New Orleans, La., to Memphis, Tenn.

Jet Route No. 35 presently extends in part from the New Orleans VORTAC via the Jackson, Miss., VORTAC, the Greenwood, Miss., VOR, to the Memphis, Tenn., VORTAC. The Federal Aviation Agency is realigning the segment of J-35 between New Orleans and Jackson via the intersection of the New Orleans VORTAC 357° and the Jackson VORTAC 184° True radials; and the segment between Jackson and Memphis via the intersection of the Jackson VORTAC 355° and the Memphis VORTAC 191° True radials.

The realignment of the segment of J-35 from New Orleans to Jackson will cause this route to overlie Low Altitude VOR airway V-9 and Intermediate Altitude VOR airways V-1523/1525, thus facilitating the transitioning of aircraft arriving and departing New Orleans. The redesignation of the segment of J-35 between Jackson and Memphis will result in the deletion of the Greenwood VOR from the description of J-35. Adequate navigational guidance is provided for J-35 between Jackson and Memphis via the Jackson 355° and the Memphis 191° True radials and will result in one less frequency change to be made by the pilot.

Since this amendment is minor in nature and imposes no additional burden on the public, notice and public procedure hereon are unnecessary. However, since it is necessary that sufficient time be allowed to permit appropriate changes to be made on aeronautical charts, this amendment will become effective more than 30 days after publication.

In consideration of the foregoing, § 75.100 (28 F.R. 19-50, January 26, 1963) is amended as follows:

In the text of Jet Route No. 35 "via Jackson, Miss.; Greenwood, Miss.; Memphis, Tenn.;" is deleted and "via the INT of the New Orleans 357° and the Jackson, Miss., 184° radials; Jackson; INT of the Jackson 355° and the Memphis, Tenn., 191° radials; Memphis;" is substituted therefor.

This amendment shall become effective 0001 e.s.t., June 27, 1963.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C. on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5012; Filed, May 9, 1963;
8:45 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

Correction

In F.R. Doc. 63-4920, appearing at page 4615 of the issue for Wednesday, May 8, 1963, the following corrections are made in § 121.2571(b):

The entry in "List of substances" column now reading "Benzoyl peroxide" should read "Benzoyl peroxide", the entry reading "Imino-bis-butylamine" should read "Imino-bis-butylamine", and the entry reading "Polyoxyethylene (20) sorbitan monolaurate" should read "Polyoxyethylene (20) sorbitan monolaurate".

Title 32—NATIONAL DEFENSE

Chapter I—Office of the Secretary of Defense

SUBCHAPTER B—MILITARY AND CIVILIAN

PART 139—FELLOWSHIPS, SCHOLARSHIPS, AND GRANTS FOR MEMBERS OF THE ARMED FORCES

The Secretary of Defense has approved the following on April 27, 1963:

- Sec.
139.1 Purpose and applicability.
139.2 Delegation of authority.
139.3 Policy and procedures.
139.4 Responsibilities.

AUTHORITY: §§ 139.1 to 139.4 issued under Public Law 87-555 (10 U.S.C. 2603) and E.O. 11079, January 25, 1963 (28 F.R. 819).

§ 139.1 Purpose and applicability.

This part establishes policies and procedures for the guidance of the Military Departments in implementing Public Law 87-555.

§ 139.2 Delegation of authority.

Pursuant to E.O. 11079, there is hereby delegated to the Secretaries of the Mil-

tary Departments authority to prescribe regulations under which members of the armed forces under their jurisdiction may accept fellowships, scholarships, or grants from corporations, foundations, funds or educational institutions organized and operated primarily for scientific, literary, or educational purposes. Such regulations shall conform to the policy and procedures established in this part and, to the extent practicable, shall be uniform.

§ 139.3 Policy and procedures.

(a) *Eligible donors.* (1) The following shall be considered eligible as donors of fellowships, scholarships, or grants:

(i) Corporations, foundations, funds, or educational institutions organized and operated primarily for scientific, literary, or educational purposes and which enjoy tax-exempt status under section 501 of the Internal Revenue Code of 1954, as amended (Title 26, United States Code).

(ii) Corporations, foundations, funds, or educational institutions which would qualify as tax exempt organizations under subdivision (i) of this subparagraph, if they were not *foreign* corporations, foundations, funds, or educational institutions.

(iii) Any other corporation, foundation, fund or educational institution not covered by subdivision (i) or (ii) of this subparagraph, which the Assistant Secretary of Defense (Manpower) or his designee has determined operates primarily for scientific, literary, or educational purposes.

(b) *Ineligible donors.* Business groups operating for profit, foreign governments, and political organizations may not be qualified as eligible donors.

(c) *Eligible donees.* The following conditions must be satisfied (unless waived on an individual basis by the ASD(M) or his designee) before a member of the armed forces may be found eligible for receipt of a fellowship, scholarship, or grant:

(1) The donee of such an award must be a winner of competition in which he was authorized to compete by his Service, if the purpose of the fellowship, scholarship, or grant is education or training; if its purpose is to recognize outstanding performance or to permit work on a project of value to the United States, the requirement does not apply.

(2) The education or training to be received or the research to be performed by the donee must be designed (i) to qualify him to satisfy a requirement or potential requirement of the armed forces; (ii) to contribute to the donee's recognized potential for career service; or (iii) to constitute a contribution to a project of value to the United States.

(3) The donee shall agree in writing to serve on active duty after completing his education or training for a period at least three times the length of the period of the education or training. No agreement to serve on active duty is required (i) if the award is made in recognition of outstanding performance, and if its acceptance does not require relief from regular military duty for a prolonged period; or (ii) if the purpose of the

award is to permit the members to work on a project of value to the United States rather than fulfill the requirements of an academic degree.

(d) *Receipt of honorarium—(1) Maximum amount acceptable.* (i) The benefits that may be accepted under a scholarship, fellowship, or grant by a member for the purpose of education and training are limited to an amount not exceeding the cost of sending the member to the same school at Government expense.

(ii) If the total value of the benefits, in cash or in kind, under the scholarship, fellowship, or grant exceed the costs of sending the member to the same school at Government expense, the excess may not be accepted by the member.

(iii) In computing the costs of sending the member to the same school at Government expense, costs should be included, such as tuition; books; educational supplies and services; travel expenses to and from school, including transportation of dependents and household goods, if appropriate; basic allowances for quarters and subsistence; overseas cost-of-living and housing allowances, if appropriate; and dislocation allowance.

(iv) For the purpose of determining the maximum amount that may be accepted under the scholarship, fellowship, or grant, estimates of the total value of the scholarship, fellowship, or grant and the costs of sending the member to the same school at Government expense may be used where definitive figures are not available.

(2) *Deductions from allowances.* (i) Members of the uniformed services while on active duty are entitled to the pay and allowances authorized by law and regulations.

(ii) Where benefits under the scholarship, fellowship, or grant (cash or in kind) are for travel expenses, quarters or subsistence allowances, or other expenses, an appropriate reduction shall be made from any payment that is made for the same purpose to the member by the United States incident to his acceptance of the scholarship, fellowship, or grant.

(iii) Where the scholarship, fellowship, or grant does not specify a definite amount for travel, subsistence, quarters, or other expenses, and the cost to the Government of sending the member to the same school exceeds the benefits under the scholarship, fellowship, or grant, the requirements of this subparagraph (2) may be complied with as follows:

(a) Permit the member to accept the full amount of the scholarship, fellowship, or grant provided, of course, that it does not exceed the limit set by law as explained in subparagraph (1) of this paragraph;

(b) Estimate the total cost of tuition, books, fees, and directly related expenses;

(c) Deduct this amount from the total value of the scholarship;

(d) The balance, if any, may be assumed in the absence of evidence to the contrary, to cover travel, quarters, sub-

sistence, and other expenses for which the Government furnishes in kind or pays an allowance authorized by law and regulation;

(e) Such balance, if any, may be deducted from the members otherwise proper allowances in installments during the period covered by the scholarship;

(f) A final adjustment will be made at the end of each scholarship year, or period, as appropriate;

(g) Where a balance remains under (e), the member will agree in writing to have such balance withheld in installments from allowances otherwise due.

(e) *Course of study.* Courses of study for education or training which have direct Service application shall be favored when approving the acceptance by members of fellowships, scholarships, or grants. Other courses of study that will enrich the individual's knowledge or skill to the benefit of the armed forces or the benefit of the United States may also be approved.

(f) *Coordination.* The Military Departments shall coordinate contemplated actions under this part with each other, and whenever it is necessary to determine their appropriateness with other Government agencies, liaison shall be maintained with the OASD(M) in the implementation of this part.

§ 139.4 Responsibilities.

The Secretaries of the Army, Navy, and Air Force shall be responsible for determining the total number of members of the armed forces within each Military Department authorized to receive education and training under this program.

MAURICE W. ROCHE,
Administrative Secretary.

[F.R. Doc. 63-5038; Filed, May 9, 1963; 8:48 a.m.]

Chapter VII—Department of the Air Force

SUBCHAPTER W—AIR FORCE PROCUREMENT INSTRUCTION

MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

Subchapter W of Title 32 is amended as follows:

PART 1001—GENERAL PROVISIONS

Subpart D—Procurement Responsibility and Authority

Revise § 1001.460(c) to read as follows:

§ 1001.460 Priorities authority; DO and DX ratings; allotments, and rescheduling deliveries.

(c) Authorities described in paragraph (a) (4) through (6) of this section have been redelegated by the Commander, AFSC, to the Director and Deputy Director of Procurement, Hq AFSC, with power of redelegation. The AFSC Deputy Director of Procurement has redelegated these authorities to the Chief and Deputy Chief of the Industrial Resources Division (ASXKM) and Industrial Materials Branch (ASXKMM).

PART 1003—PROCUREMENT BY NEGOTIATION

Subpart F—Small Purchases

Revise §§ 1003.604-4(a) (2) and (3) and 1003.606-1, as follows:

§ 1003.604-4 Delivery of cash purchases by suppliers.

(a) * * *

(2) Delivery can be made within 30 days from date supplies are ordered.

(3) When ordering supplies from out of town sources, prices will be solicited f.o.b. destination with transportation charges included in the unit price of the items. C.O.D. fees (not charges for transportation) may be paid to intercity common carriers and added as a separate item to the total cost of the cash purchase prior to signature by the carrier. If a vendor will not quote f.o.b. destination, any resultant cash purchase must be shipped by parcel post or mail. When placing f.o.b. destination c.o.d. orders for shipment by parcel post or mail, cash purchasing officers will caution vendors that the cost of transportation is included in their quoted price and the Government will not pay the parcel post charges at destination. Local cartage or drayage charges may be paid by adding the charges to the cost of the items purchased or by entering as a separate item on the same receipt.

§ 1003.606-1 General.

This method will be used in both central procurement and base procurement to the greatest extent practicable. The term "readily available items" for central procurement are those covered by: Government specifications, standards and drawings, qualified products, AF approved industry standards, and commercial catalogues; which may be purchased without extensive negotiations and regardless of delivery schedule. The term "readily available items" for base procurement includes all commercial items available in commercial distribution as required by paragraph 2, AFR 67-3 for designating any item for local purchase, regardless of delivery schedule. All potential sources will be given an equal opportunity to furnish supplies and/or services to the Government under the terms and conditions of the BPA method. To accomplish the above and comply with § 3.606-1 of this title for equitable distribution of requests among different suppliers, the following procedures may be used where more than three sources are available for like items:

(a) Generally, not less than three nor more than four BPAs will be placed concurrently for like items to be purchased. Initially, BPAs should be written with all suppliers who have previously received repetitive orders. Unfunded BPAs, or BPAs citing Commissary Division Stock Funds, or Printing and Duplicating Services Industrial Funds, issued for a period in excess of one fiscal quarter may be issued to all qualified suppliers within a competitive price range.

(b) Requests exceeding \$250 are placed after negotiation with each BPA holder.

(c) At the expiration of the period covered by these BPAs, a tabulation is made of all competitive requests placed against the BPA.

(d) The BPA sources receiving the largest monetary value of competitive requests are issued BPAs for the subsequent period; the other source(s) are rotated with other potential sources in the local trade area.

(e) The firms dropped from the BPA lists, because of low monetary volume of competitive requests during the preceding period, are notified of the reasons for this discontinuance and advised that further opportunity to compete for the Government's requirements on BPAs will be given when other non-BPA potential sources have been given an equal opportunity to compete.

Subpart H—Price Negotiation Policies and Techniques

Revise § 1003.804-2 to read as follows:

§ 1003.804-2 Late proposals.

To obtain Secretarial authorization to consider a late proposal because of its importance to the Government, the procuring activity will forward a request, together with a copy of the late proposal to the Directorate of Procurement Management (AFSPM-CP), Hq USAF, AFSC procurement activities and OAR will route such requests through Hq AFSC (SCMK-3); all other AF procuring activities will route requests through Hq AFLC (MCPC).

PART 1006—FOREIGN PURCHASES

Subpart U—Procurement Services for the Federal Republic of Germany

Revise § 1006.2103 to read as follows:

§ 1006.2103 Policies.

Procurement services for nonstandard military items will be provided the FRG by AF activities according to the following policies:

(a) Procurements will be limited to domestic source and products. Procurement services should be expedited as much as possible using procedures established in AFR 400-6.

(b) Contracts and purchases shall be made under the authority of the Foreign Assistance Act of 1961 (P.L. 87-195).

(c) Each procurement document should cite the applicable trust fund expenditure account "Advances, Mutual Security Act, Executive (Transfers to AF) 57-11x8242.01" directly on the contract for procurement.

(d) Items not covered by U.S. Government specifications will be procured according to manufacturers' specifications and warranties, unless the FRG requests other specifications, qualifications, and warranties. If the specifications and warranties of the manufacturer are considered inadequate for procurement purposes, such specifications and warranties may be adequately supplemented by the procuring activity after consultation with the FRG. Questions relating to supplementary specifications and warranties will be referred to Hq USAF (AFSMS-

CG-MS) for clarification and appropriate action.

(e) ASPR and AFPI contract clauses and procedures shall be employed. In no event should contracts be awarded at other than prices which are determined to be reasonable.

(f) In addition to charges made under AFR 400-6 (Mutual Security Military Sales), an additional charge of 5 percent of the purchase price of the articles or services procured should be made to reimburse general expenses incurred for normal contract administration including testing, inspection, and quality control. Specific services requested by the FRG, such as special inspection or testing services over and above those normally performed, will be charged and reimbursed at cost. The FRG may request a reduction in the percentage charged for a single procurement exceeding \$10,000,000 in value. Questions relating to fee reductions will be referred to Hq USAF (AFSMS-CD-MS) for clarification and appropriate action.

PART 1009—PATENTS, DATA, AND COPYRIGHTS

Subpart B—Data and Copyrights

In § 1009.202-1(a) (4), revise subdivision (i) to read as follows:

§ 1009.202-1 Acquisition of data.

(a) General.

* * * * *

(4) (i) * * *

DATA PRICING (JAN. 1963)

(a) Bidders are requested to insert opposite the data items the price of such data or a specific response such as "No Charge." "Included in Price of Items _____" If a bidder fails to price or enter a specific response to a data item required to be furnished (excepting revisions and/or changes for which a price is to be negotiated later) it will be considered that the data is being furnished as part of the contract consideration.

PART 1030—APPENDIXES TO AIR FORCE PROCUREMENT INSTRUCTION

§ 1030.2 Appendix B—Manual for control of Government property in possession of contractors.

1. In *Part I—Introduction*, add new paragraph B-101 as follows:

B-101 *Scope of manual.* This Appendix implements § 30.2, Appendix B of this title, "Manual for Control of Government Property in the Possession of Contractors," which is hereinafter referred to as the Manual.

2. Revise paragraphs B-102, B-102.50 and B-102.51, as follows:

B-102 *Applicability of Manual.*
B-102.50 *Exceptions.* The provisions of the Manual, and this Appendix B, are not applicable in the following instances:

* * * * *

B-102.51 *Deviations.* While the procedures set forth in this Appendix B are considered the minimum necessary for effective surveillance over industrial property control systems established and maintained by AF contractors, it is recognized that exigencies of certain situations or circumstances may require property control procedures other

than prescribed. When it is considered impractical to apply the provisions of the Manual and this Appendix B, the property administrator may submit a request for authority to deviate, supported by proper justification, to AFSC (ASXKKI), WPAFB, Ohio, or AFLC (MCPC through MCPKF), as appropriate.

In Part II—General Provisions, revise paragraphs B-202, B-203, B-205.1, B-206 and B-207.5 as follows:

B-202 Designation of property administrator.

(a) *Designated for each Government contract involving Government property*—(1) *Representative of contracting officer.* The property administrator, as representative of the contract administrator, will be designated as set forth in this paragraph. The ACO will not perform the duties of a property administrator without prior approval of Hq AFSC (ASXKKI), WPAFB, Ohio, or Hq AFLC (MCPKF), as appropriate.

(2) *Qualifications.* It is the responsibility of the cognizant commanders of CMRs and AF procurement activities empowered through delegation as appointing authorities to have adequate and qualified individuals appointed as property administrators. In view of the responsibilities accompanying the appointment, individual qualifications should be carefully appraised.

B-203 Duties and responsibilities of the property administrator.

(a) The property administrator will be familiar with the functions of other AF personnel who have a duty or responsibility in connection with government property. These functions include, but are not limited to, audit, quality control, plant clearance, and production.

(b) Approval of the contractor's property control system (see also paragraph B-301(b)) is subject to the adequacy of established property control records and procedures. In reviewing this system, the property administrator will evaluate the prescribed internal controls and conduct such tests or examinations reasonably necessary to determine that

(1) The records and procedures are commercially sound and (2) that the status of government property will be properly reflected. The property administrator, in performing the above review and subsequent examinations and usage analysis required by the Manual, will take into consideration and utilize, as appropriate, data, reports, and documentation concerning property control which originates from reviews or examinations of the cognizant government auditor and other assigned representatives.

(c) to (e) No implementation.

(f) Research and development projects, because of the nature of the work performed thereunder, are not readily adaptable to the utilization of a bill of materials or other normal measures of allowances as in production contracts. In determining reasonableness of usage or consumption of government property under such projects, the property administrator will depend largely upon visual and physical observation of the controls exercised in connection with the property, including handling prior to use and general conditions under which used.

B-205.1 Military installations or other contractors' plants.

(a) Exception to the policy cited in § 1013.102 of this subchapter has been authorized by the Director of Procurement and Production, Hq USAF, when it is determined that the shipment of any item of government property to a contractor, when not specifically provided for in a contract, is in the best interests of the Air Force. Shipments anticipated under such authority are for the purpose of inspection, test, calibration, modification, replacement, and/or repair, at no cost to the Government. Government property may be furnished under this

exception only with prior approval of Director of Procurement, Hq AFSC, or the Director of Procurement and Production, Hq AFLC as appropriate. The Chief, Industrial Property and Plant Clearance Branch (ASXKKI) and the Chief, Field Operations Branch (MCPKF) have been designated as respective representatives for granting such approval. Accordingly, when it is desired, for any reason, to furnish government property to a contractor where there is no specific contractual provisions, activities under the jurisdiction of AFSC or OAR will submit requests for authorization to AFSC (ASXKKI) WPAFB, Ohio. Activities under the jurisdiction of AFLC and other major commands (AFSC excluded) will forward requests to AFLC (MCPKF). The following procedures will be followed with respect to each request submitted:

(3) Requests for authorization submitted according to above instructions will be written and will contain complete and detailed data as to urgency and nature of the desired shipment together with terms and conditions of shipment as set forth in (a) (2) of this paragraph.

(4) The appropriate activity (ASXKKI or MCPKF) will review each request for shipment of government property to a contractor without contractual coverage, and after consideration of the justification, will recommend approval or disapproval to the approving activity, or will itself approve or disapprove if authorized to do so according to (a) of this paragraph. If the request is approved, the requesting activity will be advised of the authorization and will be furnished the data and information required in connection with the notations listed in subdivisions (i) to (v) of this subparagraph to be included in the shipping instructions and which the shipping activity will enter on the shipping documents:

(6) The property administrator designated by the cognizant AF representative will be responsible for the adequacy of controls that are exercised over the property by the contractor. In this connection, he will establish administrative record of each authorized transaction according to paragraph B-303.50. The records related to each authorized transaction will be periodically reviewed to verify that the contractor's work is completed in reasonable approximation to the time limits agreed upon and that the property is correctly returned or otherwise properly disposed of.

(7) If question arises as to liability of the contractor for the loss, damage, or destruction of any property while in the possession of a contractor under the authorization issued according to subparagraph (4) of this paragraph, the Chief CMD, TSO, or AFPR will be advised and requested to assign an ACO to evaluate the circumstances and make determination as to liability, if any, of the contractor.

(b) The power to authorize shipment of UR Exhibits to contractors for evaluation and study at no cost to the Government, without benefit of contractual coverage, has been extended to the commanders of CMRs, AMAs, APRFE and APRE with power of delegation to and through the director of logistics support management or the director of quality control as appropriate to the minimum level of authority set forth in the following: (1) The authority to approve the release of engineering UR Exhibits under the Quick Engineering Fix Program may be delegated to AFPRs and BARs listed, and for products specified, in TO 00-35D-54; (2) the authority to approve the release of engineering exhibits other than described in subparagraph (1) of this paragraph will be vested in the chief and deputy chief of the appropriate logistics support management division; and (3) the authority to approve

the release of procurement quality control UR Exhibits may be delegated to the chief and deputy chief of the quality control division of the AFPROs, TSOs, CMDs, and AF field procurement offices not directly under the jurisdiction of a CMD, except as may be otherwise designated in AFLCM 74-1. The use of the extended authority will require administrative review by the AMA, APRFE or APRE director of logistics support management, or director of quality control as appropriate, for justification and sufficiency of all requests for release of UR Exhibits to a contractor; adherence to the requirements contained herein; and inclusion of record of shipment or other disposition of the exhibits in the materiel improvement project (MIP) file.

(1) Requests to release UR Exhibits for shipment will be submitted to the appropriate authority designated in (b) of this paragraph.

(2) All releases and shipments of UR Exhibits under this authority will reference the AFLC MIP number for identification and control. Shipping instructions will provide for transfer of accountability to the appropriate industrial property account.

(3) A copy of each authorization will be forwarded to the CMD, TSO, AFPRO, APO or Air Logistic Office (ALO), marked for the attention of the chief, industrial property division.

(4) Distribution of shipping documents will provide for a copy to be furnished for inclusion in the MIP file maintained by the authorizing activity.

(5) Control of the exhibit while in the possession and custody of a manufacturer will be according to § 30.2 of this title and this Appendix B. See (a) (7) of this paragraph for liability in connection with loss, damage, or destruction.

(6) The AF quality control representative of the CMD, TSO, or AFPRO assigned quality control cognizance over the prime equipment manufacturer's facility will be responsible for the following actions upon completion of evaluation and study of the UR Exhibit by the contractor:

(i) If the condition of the exhibit is serviceable, it will be shipped to the appropriate inventory manager. Exhibits in repairable condition will be shipped to the applicable repair depot according to designation and instructions contained in TO 00-25-11.

(8) Under no circumstances will an exhibit be released without appropriate authorization and identification to the AFLC MIP number.

(9) * * *

(4) For items other than GFAGE, the activity establishing the MIP will notify the appropriate inventory manager, furnishing the contractor's statement of willingness to repair, modify, rework, or replace at no cost to the Government. Upon receiving the notification, the inventory manager will determine quantity of items to be returned to the manufacturer and secure authorization from the authority cited in subparagraph (10) of this paragraph, prior to shipment or instruction to holding activities to ship.

(ii) In the case of GFAGE exhibits originating at a contractor's plant, notification will be made to AFSC (ASWGM). Upon receipt of notification, ASWGM will determine quantity of items to be returned to the manufacturer and secure authorization from ASXKKI according to (a) of this paragraph prior to issuing shipping instructions to the holding activity.

(10) The power to authorize shipment of government-owned property to a manufacturer for repair, modification, rework, or replacement at no cost to the Government, to the extent that such action is the result of evaluation and study of a UR Exhibit, is

hereby assigned to the commanders of CMRs with power of reassignment through the director of contract management to the office exercising contract administrative cognizance over the manufacturer involved.

(c) Government property shipped by a contractor after inspection and acceptance at source may be rejected by the receiving activity; such rejections will be reported by AF Form 672, "Report of Discrepancy," according to Subpart U, Part 1013 of this title. When it is determined by the ACO that the satisfactory adjustment of the reported discrepancy necessitates the return of the property to the original shipping contractor for repair, rework, modification, or replacement at no cost to the Government, the contractor's written agreement to such a course of adjustment will be obtained. Such return shipments, being subject to the provisions of this general paragraph B-205.1, will require appropriate approval and in this connection, the authority to grant such approval is delegated to the contracting officer having administration of the contract under which the reported discrepant shipment was made.

B-206 Segregation or commingling of Government property and contractor's property.

(a) Where a contractor is engaged in both CPFF and fixed-price government contracts in one plant, such contractor, for the purposes of this paragraph is not considered to be engaged solely in government work.

(b) No implementation.

(c) In connection with research and development contracts involving profit or fee, the property administrator may permit commingling upon the written approval of AFSC (ASXKKI) WPAFB, Ohio, or AFLC (MCPKF) as appropriate. Approval will be granted on a case by case basis, where it can be demonstrated through the exercise of inventory controls, including the equitable apportionment of inventory losses, that such action is advantageous to the Government.

(d) Any other commingling may be permitted by the property administrator upon the written approval of ASXKKI or MCPKF as appropriate. Criteria for approval will be that as set forth in (c) of this paragraph.

B-207. *Discrepancies.* The contractor will submit to the property administrator (a) A listing which properly identifies all discrepancies, including overages, shortages, and damages, which have been disclosed by the physical inventory accomplished by § 30.2, Appendix B of this title; and (b) a certification, in writing, that physical inventory of or certain classes of Government property was completed on a given date and that the official contract records are in agreement with the physical inventory aside from the reported discrepancies. Discrepancies will be examined to determine, as far as possible, actual losses of Government property. Differences caused by record errors or offsetting overages and shortages of similar items are not considered actual losses. The offset adjustment of dissimilar items which may appear comparable in quantity or dollar value will not be approved. Adjustments necessitated by posting errors will include appropriate cross-references to the error in the official contract records.

In Part III—Records To Be Maintained, revise paragraph B-301 to read as follows:

B-301 General.

(a) * * *

(1) When Government property is disclosed to be in the custody or control of a contractor but not contractually covered, the contractor will (i) Record such property according to the established property control system, and (ii) furnish the property administrator with all known circumstances and factual data pertaining to its receipt. When the anticipated utilization of the property can be associated with the performance

of a particular contract, the property will be recorded in the official property records of that contract.

(b) * * *

(c) to (g) No implementation.

(h) * * *

1. In Part IV—Miscellaneous Provisions, delete paragraph B-401.2.

2. Revise paragraphs B-401, B-402.1 and B-402.2, as follows:

B-401 Identification.

(a) *Extent of identification.*

(1) No implementation.

(2) The method of marking and identifying government-owned special tooling will be agreed to by the contractor and the property administrator. The contractor will be responsible for determining whether or not the marking will damage the tooling or is otherwise impracticable. The contractor will advise the property administrator, in writing, of any such determination.

(3) Plant equipment, other than that included within the departmental industrial equipment reserve program, will be assigned an identification number and marked according to a system of identification and marking as agreed to by the contractor and property administrator, provided the system conforms to the requirements of the Manual. Accessory or auxiliary equipment associated with a specific basic machine for normal operations and recorded on the official records for that machine, need not be marked with an identification number unless circumstances necessitate such marking to assure that the item of accessory and/or auxiliary equipment will be returned to the Government with the basic machine with which they are associated. Numbers and tags will be permanent and will not be changed as long as the equipment remains under the control of the Air Force, however, such markings will be removed prior to sale, scrapping, or transfer of funding and control responsibilities to other military departments.

(4) Notwithstanding the provisions of paragraphs B-401(a)(3) and B-401(a)(3)(ii), § 30.2 of this title, relative to identification numbers which have been affixed to plant equipment, new identification numbers may be affixed by the receiving contractor to plant equipment transferred from one contractor to another. This authority does not apply to industrial reserve plant equipment which is controlled according to AFLCM 78-1. If new identification numbers are assigned, all identification markings which are superseded will be removed by the receiving contractor and cross reference maintained for administrative purposes in supporting documentation.

B-402.1 Contractor's responsibility.

(a) *Consumption of property in the performance of the contract.* No clear-cut or concise individual document will be obtainable for property consumed in performance of the contract. Evidence of determinations of reasonable usage will be contained in the property administrator's working papers, and the ACO will be currently advised as to results of the usage analysis program by the property administrator.

(b) to (d) No implementation.

(e) *Written advice of administrative contracting officer.* The findings and determinations of an ACO with respect to a contractor's liability for loss, damage, destruction, or unreasonable use/consumption of government property are referred to as a "written advice." A letter of advice constitutes a valid credit to the industrial property account when properly supported and appropriately cross-referenced. It is not required to contain a statement of the amount of loss involved where it is determined that no liability exists on the part of the contractor. If the ACO has determined that the contractor is liable, the written advice will contain: (1) A statement of the amount of

liability, (2) a statement to the effect that investigation has been made of the facts surrounding the particular case, and (3) the method and details of settlement of the liability.

(1) The written advice need not restate the items lost, damaged, destroyed, or consumed in excess of requirements, provided a copy of the listing is attached and appropriately referenced.

(2) One copy of the written advice will be furnished to the contractor and one to the property administrator, which will be retained according to paragraph B-303.1(d) of the Manual.

B-402.2 Contractor's liability.

(a) Whenever damage to government property is considered to be inconsequential; the contractor need not submit a report of damage as soon as the fact becomes known; however, at such time as the property involved becomes excess to the requirements of the contract, damage of this type in evidence will be reported according to paragraph B-402.2(a), § 30.2 of this title.

(b) Approval of inventory adjustments by the property administrator depends upon the reasonableness of the adjustment based upon the experience factor under a particular contract. If the adjustments appear to be excessive, the ACO must be advised for appropriate determination.

(c) No implementation.

(d) The letter of advice, originated by the ACO, will state that on a specific date he will determine the contractor liable for the specified amount unless the contractor advises him prior to the specified date that he is not liable, or if liable, is not liable in the amount indicated. The letter will further inform the contractor that, if he does not question his liability in the amount specified, the claim may be settled according to stated procedures and the ACO will use Subpart F, Subchapter E, Part 163 of this title as a guide for establishing such procedures. If the contractor advises the ACO prior to the date specified in the letter that in his opinion he is not liable (or, if liable, is not liable in the amount specified), the ACO will consider any new evidence that may be produced by the contractor. If no response is received from the contractor prior to the date specified, as provided above, the ACO will prepare and sign written findings of facts and a statement of his decision determining the contractor liable and the amount of his liability. The findings will be promptly forwarded to the contractor, the property administrator, and the appropriate accounting and finance office. The property administrator will annotate his copy of the written advice according to paragraph B-402.2(d), § 30.2 of this title, including a note of the method of collection used according to Subpart F, Subchapter E, Part 163 of this title.

3. In paragraph B-402.3, a new paragraph (b) is inserted, and former paragraph (b) is redesignated paragraph (c), as follows:

B-402.3 Shipment and receipt of Government-furnished property.

(b) When a shipment or transfer of government-furnished aircraft, equipment (GFAE) is accomplished which effects a decrease in the balances supplied to a contractor for incorporation into an end item per standard GFAE specification list, the property administrator will assure that, in addition to the required distribution of the shipping documents, one copy will be forwarded to the AFSC Aeronautical Systems Division (ASWGM). This requirement is applicable to transfers of such property between contracts within the same facility but does not apply to documents evidencing acceptance and shipment of end items.

(c) Certain contracts under which government property is provided for incorporation into the end item specify that the acceptance of the end item will be accomplished at destination rather than at the contractor's facility. In such instances the government property will be transferred via shipping document or DD Form 250, "Material Inspection and Receiving Report (Domestic)," to the property account of the receiving facility designated to accept the end item for the Government. Normally, two copies of the shipping document will accompany the shipment of the end item; however, if that is not the case, a confirming transfer will be accomplished:

4. Revise paragraphs B-404, B-450(a), B-452 and B-453, as follows:

B-404 Auditing property accounts. Audit of the property administrator's records, procedures, and controls will be performed by the Auditor General, USAF. If the contractor's plant is under Army or Navy audit cognizance, the audit of the contractor's records (paragraph B-301, § 30.2 of this title and paragraph B-301 of this Part) relating to the property administrator's records will be performed by the cognizant audit agency as an assist audit to the overall audit of the property account. In the event of revocation of the property administrator's assignment because no government property was furnished or acquired under the contract, the related contract records established under the provisions of this general paragraph may be retired without requirements for final audit by the Auditor General.

B-450 Reusable containers. The contractor's property control system will provide for adequate control of reusable containers which, for the purpose of this Appendix B, are those government-owned containers considered to be economically reusable subsequent to removal of original contents.

(a) Unless otherwise provided herein, or otherwise directed by the Commander, AFLC, the controlling depot will furnish, upon request, appropriate shipping instructions for the expedient return or redistribution of reusable containers to the most advantageous geographical location.

B-452 Return of Government-furnished property from contractor's plants for repair. This paragraph establishes the procedure for processing reparable government-furnished property (GFP) in the possession of a contractor which is to be transferred to an AF specialized repair activity for repair or other maintenance action.

(b) * * *

(1) All reparable or defective GFAE will be processed according to these instructions and AFLCR 65-19.

(2) Reparable GFP engines will be reported immediately upon discovery of condition of the engine to the directorate of supply and services of the prime AMA according to TO 00-25-11 and processed as prescribed herein pending receipt of disposition instructions from the commodity class activity.

(3) Reparable government-owned industrial equipment will be processed according to AFLCM 78-1.

(c) Prior to shipment of GFP, according to the foregoing instructions, the following actions will be taken:

(1) The items will be segregated, marked, tagged, or labeled according to chapter 6, part two, AFLCM 74-1.

(2) The extent of repair or maintenance action required will be ascertained according to approved procedures in effect at the particular installation.

(3) If the facts and circumstances indicate that the contractors may be respon-

sible for the unserviceable condition of the property, such facts and circumstances, together with statement as to extent of repair or maintenance actions required and the recommendations of the property administrator, will be submitted to the ACO for a determination as to liability of the contractor under the terms of the contract.

(4) A separate shipping document will be prepared for each commodity class, subclass, condition, and status of such property conspicuously and appropriately annotated as follows:

(i) Reparable Engine: Shipped as per instructions of -----

(ii) Reparable GFAE: Shipped according to paragraph 5, section III, AFLCR 69-19 (Note: Shipping documents covering this category of property will be further marked pursuant to instructions contained in paragraph 5, section III, AFLCR 65-19).

(iii) Reparable GFP: Shipped for repair or maintenance action according to TO 00-25-11 (Note: Shipping documents covering this category of property will be further marked for Account No. 1).

(5) Where the ACO has determined that the contractor is liable for the condition of the property, the property administrator will obtain information as to the cost of repair for inclusion in the statement of amount of liability. If it is necessary to secure such costs from the repair activity, a letter will be directed to the appropriate AMA concurrent with the release of the property for shipment. The letter will reference the particular shipment by: (i) Document number and date, (ii) consignor, (iii) description of the property, (iv) date of shipment and GBL number, and (v) anticipated date of arrival at the repair activity. Upon receipt of data as to cost of repair, such data will be submitted to the ACO for use in finalizing actions pursuant to paragraph B-402.2, § 30.2 of this title.

(d) The AMA will furnish actual or reasonably estimated cost of repair to the cognizant property administrator upon receipt of a request as provided in paragraph B-452 (c) (5).

B-453 Procedure when Government property is to be removed from plants affected by bankruptcy, insolvency, or liquidation. No special procedures are prescribed for removal of government property from plants affected by bankruptcy, insolvency, or liquidation. In such cases where property is to be removed, standard procedures will be followed. However, all actions affecting any such removal, including where applicable the preparation and submission of termination inventory schedules, DD Forms 542-545, and DD Forms 1342 will be accomplished on a priority basis. Instructions will be furnished expeditiously and where necessary electrical means of communication will be utilized.

(a) Any action having legal implications will be coordinated with the CMR staff judge advocate.

§ 1030.3 Appendix C—Manual for Control of Government property in possession of non-profit research and development contractors.

In Part I—Introduction, revise paragraphs C-102, C-102.50 and C-103.52 as follows:

C-102 Applicability of Manual.

C-102.50 Deviations. When it is considered impracticable to apply the provisions of the Manual and this Appendix C, the property administrator may submit a request for authority to deviate, supported by proper justification, through channels to AFSC (ASXKKI), WPAFB, Ohio.

C-103.52 Property records. Property records, as used in the Manual and this Appendix C, are interpreted to be all-inclusive of records affecting the status of government

property, and are not restricted to stock records or other forms of inventory record.

1. In Part II—Government Administrative Provisions, revise paragraphs C-201, C-202(a) (2), C-202-50, C-205.1 and C-205.3, as follows:

C-201 Duties and responsibilities of the contract administrator with respect to the control of Government property.

(a) to (d) No implementations.

(e) The written advice of the contract administrator will contain statements as to: (1) An investigation has been made of the facts and circumstances surrounding the particular case, (2) the amount of liability, if any, and (3) where liability is involved, the method and details of settlement selected.

C-202 Designation of property administrator.

(a) * * *

(2) The ACO will not perform the duties of the property administrator without prior approval of the Contract Management Division AFSC (ASXKKI), WPAFB, Ohio.

C-202.50 Designation of property administrators for contracts with educational or other nonprofit organizations. Property administration for contracts with educational or other nonprofit organizations will be assigned to a property administrator under the jurisdiction of an AFSC contract management region. Formal request for assignment of a property administrator will be forwarded to the cognizant CMD or AFPRO (chief, industrial property division). A copy of the contract or extracts of property provisions thereof, together with the name and address of the ACO and the project officer will accompany the request.

C-205.1 Military installations or other contractors' plants.

(a) Exception to the policy cited in § 1013.102 of this subchapter has been authorized by the Director of Procurement Management, Hq USAF, when it is determined that the shipment of any item of government property to a contractor, when not specifically provided for in a contract, is in the best interests of the Air Force. Shipments anticipated under such authority are for inspection, test, calibration, modification, replacement, and/or repair, at no cost to the Government. Government property may be furnished under this exception only with prior approval of Director of Procurement, Hq AFSC, or the Director of Procurement and Production, Hq AFLC, as appropriate. The Chief, Industrial Property and Plant Clearance Branch (ASXKKI), Hq AFSC, and the Chief, Field Operations Branch (MCPKF), Hq AFLC, have been designated as respective representatives for the purpose of granting such approval. When it is desired, for any reason, to furnish government property to a contractor where there is no specific contractual provision, the following procedures will be followed with respect to each request submitted:

(1) Each requesting activity (the AF organization having possession, control, or jurisdiction of the property) is responsible for determining whether shipment of the property to the contractor will be in the best interests of the Government after consideration of all factors involved.

(2) The requesting activity will first negotiate arrangements with the contractor regarding conditions for shipment, and the control and return of the property. Such arrangements should reflect specific agreement regarding the following: (i) The quantity and description of the property to be shipped (in usual cases when specific quantities cannot be stated at the outset, an agreed upon maximum quantity limitation, will be established), (ii) if quantities of property are to be sent to the manufacturer in a series of shipments, an agreed upon schedule of such shipments will be established, (iii) the exact nature and extent of

work to be performed, (iv) an agreed upon date for the completion of the work and return of the property to the Government, and (v) the controls to be maintained by the contractor as anticipated by the Manual.

(3) Requests for authorization submitted according to the instructions in this paragraph will be written and will contain complete and detailed data as to urgency and nature of the desired shipment together with terms and conditions of shipment as set forth in (a) (2) of this paragraph.

(4) The appropriate activity (ASXKKI or MCPKF) will review each request for shipment of government property to a contractor without contractual coverage, and after consideration of the justification, will recommend approval or disapproval to the approving activity, or will itself approve or disapprove if authorized to do so according to (a) of this paragraph. If the request is approved, the requesting activity will be advised of the authorization and will be furnished the data and information required in connection with the notations listed in subdivisions (i) to (iii) of this subparagraph to be included in the shipping instructions and which the shipping activity will enter on the shipping documents:

(i) Industrial property account control and identification number.

(ii) -Shipped for -----
(Test, modification, etc.)
at no cost to the Government. Authority: -----

(Exception control number)

(iii) Instructions for destination of the property upon completion of the work to be performed under the authorization.

(5) The contractor will maintain control of the property involved according to the Manual. Records may be identified as provided in the contractor's approved property control system. The designated property administrator will be responsible for the adequacy of such control.

C-205.3 *Withdrawal from contractor-owned stores.* Property withdrawn from contractor-owned stores, for direct charge to a contract, is considered government property at the time of: (a) Issuance for use under the contract, (b) allocation for use under the contract, or (c) approval of the claim for reimbursement—whichever is earlier.

2. In paragraph C-207.1, delete the introductory words: "See § 30.3, Appendix C of this title."

3. Revise paragraph C-213.1 as follows:

C-213.1 *Records of specific contracts where property is involved.*

(a) to (i) No implementation.

(j) Records of written approval of contractor's property control procedures may be maintained in a consolidated file by contractor provided: (1) The consolidated file identifies each contract, and (2) the records for each contract contain a cross reference to the consolidated file.

(k) No implementation.

(l) Record of property audits and inspections may be maintained in a consolidated file, by contractor, provided: (1) The consolidated file identifies each contract and (2) the records for each contract contain a cross reference to the consolidated file.

(m) Records of property inspections during production and usage analyses may be maintained in a consolidated file, by contractor, provided: (1) The consolidated file identifies each contract and (2) the records for each contract contain a cross reference to the consolidated file. Records of examinations of property accounts and controls and analyses of property usage and/or consumption are usually developed in the form of detailed work papers. Although paragraph C-203 requires the holding of such work papers to a minimum, long term

procurements can eventually result in a voluminous accumulation of this type of record. If the property administrator will develop adequate documentation by transferring the information contained in the work papers to a summary which will recapitulate the data in a form that will clearly indicate the degree and adequacy of property control maintained by the contractor and the extent of surveillance exercised by the property administrator. Thereupon, and subject to the following controls, the detailed work papers may be disposed of:

(i) Work papers will be retained for review by the auditor and will not be disposed of until after receipt of a report of audit for the period of time to which the work papers apply.

(ii) Upon receipt of a report of audit containing a citation of discrepancy or deficiency in property control, any work papers applicable to the cited deficiency will be retained until the condition has been cleared.

(iii) The property administrator may retain any work papers which relate to an incident of importance that should be evidenced in the recorded history of the property account.

(iv) Work papers which are classified will be disposed of according to AFR 205-1.

(n) Records of deficiencies found in property control and the corrective action taken may be maintained in a consolidated file, by contractor, provided: (1) The consolidated file identifies each contract, and (2) the records for each contract contain a cross reference to the consolidated file.

(o) No implementation.

(p) In lieu of maintaining a duplicate file of documents, evidencing receipt of government-furnished or contractor-acquired property, title to which vests in the Government, the property administrator may rely upon files of such documents maintained by the contractor, provided such files are readily available to the property administrator and have been determined by him to be adequate to comply with the requirements of the Manual.

(q) The property administrator will maintain for each contract a file containing copies of the determinations made under the circumstances set forth in paragraph 303(e) of the Manual, whereby the contract administrator has rendered a determination regarding the liability of the contractor. The property administrator will not be required to maintain duplicate copies of any instrument or instruments that the contract administrator may issue under the provisions of paragraph 303 (a) through (d) of the Manual, or such other instrument or instruments that are readily available in the files of the contractor or other government personnel, such as plant clearance, quality control, and Auditor-General personnel.

Part III is revised to read as follows:

Part III—Contractor's Obligations

C-301 *General.* Government property in the possession of subcontractors will be protected, preserved, and maintained according to sound industrial practice. The prime contractor is responsible for including in any subcontract under which government property is delivered to the subcontractor a provision requiring at least this degree of care. The requirement established by this paragraph is considered a minimum, and in no way relieves the prime contractor of responsibility for complying with the requirements established by the contract and the Manual with respect to accounting and control of government property, even though it is in the possession of a subcontractor. The responsibility for maintaining adequate property controls vested in a prime contractor by the provisions of a contract is all-inclusive respecting government property involved thereunder.

(a) Where the quantities of property involved are such that a more complete and accurate control can be accomplished by the designation and utilization of the subcontractor's property control system, the subcontractor's records may be used as the official contract records for the property in the possession or custody of that subcontractor, provided concurrence of the prime contractor is secured. In such instances, a separate property administrator may be designated for the subcontract.

C-303 *Contractor's responsibility.* Consumption of property in the performance of the contract: No clearcut or concise individual document will be obtained for property consumed in performance of the contract. Evidence of determinations of reasonable usage will be contained in the property administrator's working papers, and the ACO will be currently informed of results of the usage analysis program by the property administrator.

C-304 *Contractor's liability.* Provisions of the contract relieving the contractor from liability for government property under certain circumstances are not intended to lower the standard of care to be exercised by the contractor in respect to such property and do not relieve the contractor from the obligation to maintain a system of property control and accounting as prescribed by the Manual. The adjustment of discrepancies incident to shipment of government property will be accomplished according to Subpart U, Part 1013 of this subchapter.

C-306 *Property control records.*

(a) to (c) No implementation.

(d) *Real property.* Certain contracts provide that the contractor will be reimbursed by the Government for the cost of specified modification or rearrangement of contractor-owned plant or facilities necessary for commencement of work under the contract, and also for the cost of installing government-furnished facilities. To provide information in a form necessary to effect satisfactory settlement under the contract, the property administrator and the ACO will, within a reasonable time after completion of such work, make a joint review of the government property involved to determine so far as possible those items which may have a salable or utility value, and only descriptive summary records will be prepared for items of no apparent salable or utility value. When actual cost cannot be obtained, estimated costs may be used. Under projects or contracts which have provided, the Government with only a lien or other nontitle interest, descriptive summary records of the property will be prepared. Such property need not be marked for identification purposes.

(e) *Records of related data and information.* Unless it is deemed necessary to exercise special controls, accounting records will not be required for such data as paper-bound volumes, manuals, bulletins, circulars, pamphlets, magazines, periodicals, serial publications, and similar compositions which are furnished to a contractor for use in the administration of a contract, provided the contractor's control system otherwise assures proper use thereof under the contract. A literary composition permanently bound as volumes is considered books and as such is subject to formal inventory control procedures.

§ 1030.5 Appendix E—Contract Financing.

In Part II—Basic Policies, revise paragraphs E-212.51 and E-212.52 as follows:

E-212.51 *Financial control report.* This report includes those contractors reported under § 163.86(e), Subchapter E, Part 163 of this title. The report will be marked "For Official Use Only."

E-212.52 Procedures.

(a) If it becomes apparent to procurement or contract management personnel during placement of a contract, a supplemental spare parts order under an existing contract and any one of the following conditions is present, the procedure in paragraph (b) of this section will be followed.

(b) If any of the conditions in paragraph (a) of this section exist, procurement and/or contract management personnel will submit the matter through normal procurement channels to AFSC (ASXKMF) WPAFB, Ohio, or to OAR, Hq USAF as appropriate. ASXKMF or OAR, as appropriate, will determine whether approval may be granted directly, or is required either by a general officer at Hq AFSC or by Hq USAF according to Part 163, Subchapter E of this title, particularly §§ 163.86, 163.74, 163.56 or 163.34. If coordination with Army or Navy is required, ASXKMF or OAR, will obtain it. If prior approval by higher authority at Hq USAF is required and is recommended, ASXKMF or OAR will submit the matter with a proposed memorandum of approval on Secretary of the Air Force letterhead outlining the pertinent facts and approving the action requested, to Hq USAF (AFSPM-PO). In the case of a small business concern, see §§ 163.48, Subchapter E and 1.705-6 of this title.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

By order of the secretary of the Air Force.

WILLIAM L. KOCH,
Lt. Colonel, United States Air
Force, Chief, Special Activities
Group, Office of The
Judge Advocate General.

[F.R. Doc. 63-5009; Filed, May 9, 1963;
8:45 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 3065]

[Sacramento 072061]

CALIFORNIA

Withdrawals for Forest Service Recreation Areas

By virtue of the authority vested in the President, and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

1. Subject to valid existing rights, the minerals in the following-described national forest lands in the national forests hereafter named, are hereby withdrawn from prospecting, location, entry and purchase under the mining laws of the United States in aid of programs of the Forest Service, Department of Agriculture for utilization of the surface as recreation areas as indicated:

MOUNT DIABLO MERIDIAN

PLUMAS NATIONAL FOREST

Little Grass Valley Reservoir Area

T. 21 N., R. 9 E.,
Sec. 3, lot 4.

T. 22 N., R. 9 E.,
Sec. 19, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 20, S $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 21, S $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 22, SW $\frac{1}{4}$;
Sec. 27, lot 3, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 28, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$;
Sec. 29;
Sec. 30, E $\frac{1}{2}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$.
Sec. 31, lots 1 and 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 32, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and N $\frac{1}{2}$ -N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 33, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ -SW $\frac{1}{4}$;
Sec. 34, lots 4 and 5, W $\frac{1}{2}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$.

SIERRA NATIONAL FOREST

Lewis Creek Recreation Area

T. 6 S., R. 21 E.,
Sec. 12, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$, and E $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 13, NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 14, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 24, E $\frac{1}{2}$ NW $\frac{1}{4}$.

The areas described aggregate approximately 3,829 acres.

JOHN A. CARVER, Jr.,
Assistant Secretary of the Interior.

MAY 6, 1963.

[F.R. Doc. 63-5026; Filed, May 9, 1963;
8:47 a.m.]

[Public Land Order 3066]

[Wyoming 0125413]

WYOMING

Order Opening Lands From Power Withdrawal

1. In DA-152-Wyoming, the Federal Power Commission determined that the value of the following described lands, withdrawn in Power Site Reserve No. 616 and Project No. 1740, will not be injured or destroyed for purposes of power development by location, entry, or selection under the public land laws, subject to the provisions of section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1075; 16 U.S.C. 818), as amended; subject to the prior rights of the licensee for Project No. 1740 and its successors to use the land for project purposes as contemplated in the license therefor, and subject to the condition that no improvements or structures shall be erected or placed on said land which will interfere with the operation or maintenance of the hydroelectric power facilities licensed under Project No. 1740:

SIXTH PRINCIPAL MERIDIAN

T. 25 N., R. 118 W.,
Sec. 35, E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$.

Containing 120 acres.

2. Until 10:00 a.m. on November 4, 1963, the State of Wyoming shall have (1) a preferred right of application to select the lands in accordance with subsection (c) of section 2 of the act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852), and (2) a preferred right to apply for the reservation to it or to any of its political subdivisions, under any statute or regulation applicable thereto, of any of the lands required for a right-of-way for a public highway or as a

source of materials for the construction and maintenance of such highways, in accordance with the provisions of Section 24 of the Federal Power Act, supra.

3. This order will not otherwise be effective to change the status of the lands until 10:00 a.m. on November 4, 1963. At that time the lands shall be open to the operation of the public land laws generally, subject to valid existing rights and equitable claims, the requirements of applicable law, rules, and regulations to the provisions of any existing withdrawals, and to the stipulations prescribed by the Commission in DA-152-Wyoming.

4. The lands have been open to applications and offers under the mineral leasing laws, and in part to location under the United States mining laws subject to the provisions of the act of August 11, 1955 (69 Stat. 682; 30 U.S.C. 621). The lands in Project 1740 which have not been open to location, shall be so open at 10:00 a.m. on November 4, 1963.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Cheyenne, Wyoming.

JOHN A. CARVER, Jr.,
Assistant Secretary of the Interior.

MAY 6, 1963.

[F.R. Doc. 63-5027; Filed, May 9, 1963;
8:47 a.m.]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[FCC 63-408; Docket No. 14094]

PART 3—RADIO BROADCAST SERVICES

Report and Order

Background and History

In the matter of: Amendment of §§ 3.119, 3.289, 3.654 and 3.789 of the Commission's rules.

1. This proceeding was initiated by a Notice of Proposed Rule Making (FCC 61-546; 26 F.R. 3781), released April 27, 1961, in which the Commission proposed to amend its existing sponsorship identification rules and to adopt new rules in conformity with the September 13, 1960 amendments of section 317 of the Communications Act (Public Law 86-752).¹ Subsequently, the time for filing comments and replies was extended to June 22 and July 3, 1961, respectively. A total of 14 documents has been filed in this proceeding. Nine are formal pleadings filed by various licensees, networks, law firms, motion picture producers and television program suppliers. The remaining five are letters filed by Members

¹ On May 12, 1961, we issued a separate Notice of Proposed Rule Making (FCC 61-637, Docket No. 14119) proposing a rule which would require broadcast announcements disclosing certain financial interests of broadcast stations and networks, and their principals and employees, in services and commodities receiving broadcast promotion.

of Congress.² In order that this Report and Order may reflect the major events and circumstances which formed the basis for the instant rule making, we are setting forth certain background information before undertaking a discussion of the comments filed herein and the rules which we are today adopting.

2. In 1959, a number of questionable practices were disclosed in the broadcast industry, including "payola", i.e., consideration paid to station employees for exposure of musical records and other products, which caused the public, the Congress and various governmental agencies, including the Commission, to question whether such practices were consistent with the public interest and whether such practices constituted or induced violations of section 317 of the Communications Act. Thereafter, inquiries and investigations were initiated by, among others, the Congress, through the Special Subcommittee on Legislative Oversight of the House Committee on Interstate and Foreign Commerce, and this Commission. Our inquiry was accomplished through the use of a questionnaire transmitted to all broadcast licensees, and through various field investigations. The Subcommittee on Legislative Oversight held extensive hearings in the latter part of 1959 and in the early months of 1960.

3. As a result of our inquiries and investigations and as a result of certain disclosures made before the Subcommittee on Legislative Oversight, we issued our March 16, 1960, Public Notice entitled "Sponsorship Identification of Broadcast Material" (FCC 60-239). In our Public Notice, we stated that the information then before us showed that, in the past, consideration had been provided in exchange for the broadcasting of various types of material without an accompanying announcement indicating that consideration had been provided, and by whom, in exchange for or as an inducement for the particular broadcast. We stated further that the furnishing of such consideration was usually in one of the following forms: (1) recorded material provided to licensees and/or their employees and independent contractors for actual air use or for some other use by these persons or groups; (2) promotion of outside activities in which a licensee, employee or independent contractor participated and from which he received financial or other benefits; (3) acceptance of travel expenses, accommodations and other valuable consideration by a licensee or its employees or independent contractors in exchange for "plugging" a place, product, service or event; and (4) payments for "plugs" expressed or implied, without an accompanying announcement that the particu-

lar material was, in fact, sponsored. After discussing the various groupings, we expressed the view that Section 317 of the Act required sponsorship identification announcements in the above cases and we stated that, in the future, misinterpretation of section 317, licensee negligence or failure to maintain adequate supervision, and reliance on what was termed "accepted industry practices" would not constitute justification for non-compliance with the provisions of section 317.

4. In its interim report (House Report No. 1258, 86th Cong., 2d Sess., Feb. 9, 1960), the Subcommittee on Legislative Oversight made recommendations with respect to needed legislation, the basis for which was furnished by the record of its extensive hearings into "payola" and related improper practices in the broadcast and phonograph record industries. Although the revelations in the hearings as to existing practices in the phonograph record industry were productive of the most publicity, the Subcommittee pointed out that this actually constituted only one aspect of the major problem—undisclosed payments for broadcast exposure by third persons to licensees, licensee employees and others in the program production-distribution-broadcast chain. The Subcommittee hearings disclosed instances where a retailer had paid substantial sums of money to obtain the appearance of an employee on the program in order to obtain exposure for his business or products; other instances where money or gifts had been paid or given in an attempt, often successful, to influence the selection of music on the station; and instances of payment in money or services to program producers in return for the insertion of a "credit" line in programs not sponsored by the payor.

5. Section 317 as it existed at that time contemplated situations where payments were made to licensees in return for broadcast exposure. Recognizing that today licensees, whether by necessity or by choice, delegate many of their actual programming decisions to others, the Subcommittee concluded that, in order to achieve compliance with the spirit and purpose of section 317—to inform listeners of the identity of those who are attempting to persuade them—it was imperative to extend the coverage of section 317 to those actually exercising authority and discretion in the selection and inclusion of broadcast matter. Thus, the Subcommittee recommended that:

Section 317 should be amended to require announcement of payments made not only to licensees but also to any other individuals or companies for advertising "plugs" on behalf of third parties on sponsored programs. Provision should be made to prohibit payment to any person or company or the receipt by any person or company for the purpose of having included in a broadcast program any material, whether vocal or visual, without having announcement made on the program that the showing or hearing of such material has been paid for. Criminal penalties should be imposed upon any person or company who violates this section as amended. (See House Report No. 1800, 86th Cong., 2d Sess., June 13, 1960, at p. 18.)

6. On April 1, 1960, the Commission issued its "Notice of Inquiry" (Docket No. 13454) with respect to its public notice of March 16, 1960 (FCC 60-239). This notice of inquiry was issued pursuant to various petitions filed by interested parties seeking the opportunity to comment on the views expressed by the Commission in its March 16th Public Notice. However, in light of subsequent Congressional action with respect to section 317, these proceedings were terminated on September 20, 1960.

7. On May 12, 1960, the Commission issued its Public Notice (Mimeo 88527) entitled "Inquiry into Hidden Commercials in Recorded 'Interview' Programs". The subjects of this Public Notice were broadcast programs usually consisting of recorded conversations between an interviewer and a celebrity in which the interviewer or celebrity would mention, casually, one or more commercial products. These records were normally furnished, free of charge, to stations by producers in consideration of a fee paid to the producers by public relations interests on the basis of broadcast coverage. No sponsorship identifications were broadcast. In the public notice, the Commission pointed out the applicability of section 317 and alerted broadcast licensees as to their responsibilities.

8. Subsequently, on September 13, 1960, a Bill (S. 1898) was signed into law which redefined the situations in which broadcast licensees are required to broadcast sponsorship identification announcements. Additionally, the new law (Public Law 86-752) added a new section 508 to the Act requiring disclosure by persons other than broadcast licensees who provide or receive valuable consideration for the inclusion of any matter in a program intended for broadcast. The persons to whom section 508 relates previously had not been directly subject to the provisions of section 317. Subsection (e) of revised section 317 directs the Commission to prescribe appropriate rules and regulations to implement the Congressional intent expressed in the new wording of section 317. At the time the new legislation was adopted, the Congress also set forth twenty-seven examples to illustrate the intended effect of the proviso clause in amended section 317(a). These examples are contained in House Report 1800 (86th Cong., 2d Sess.).

9. On September 21, 1960, the Commission issued its Public Notice (FCC 60-1141, Mimeo No. 93746) entitled "Communications Act Amendments, 1960." In said Notice, the Commission summarized the new law and stated, among other things, as follows:

The Commission wishes to call particular attention to the amendments to section 317 and to the new section 508 of the Act which concern announcement and disclosure of certain payments with respect to matter broadcast. Until such time as rule making proceedings are concluded to implement these sections of the Act, the Commission will interpret and enforce those provisions in light of the explanation and examples set forth in the Report of the House Committee on Interstate and Foreign Commerce, which accompanied S. 1898 (H. Rept. No. 1800, 86th Congress, 2d Session, pp. 17-25).

² Formal comments were filed by Westinghouse Broadcasting Company, Inc., National Broadcasting Company, Inc., Columbia Broadcasting System, Inc., Triangle Publications, Inc., American Broadcasting Company, Alliance of Television Film Producers, Inc. and the law firm of Covington & Burling on behalf of eleven broadcast licensees. The law firm of Haley, Wollenberg & Bader filed comments and reply comments on behalf of eight motion picture producers.

For the information and convenience of interested parties the examples contained in the House Report to illustrate the intended effect of the new section 317(a) (1) are attached hereto.

In a Public Notice released March 16, 1960 (FCC 60-239), the Commission announced its interpretation of the requirements of section 317 of the Communications Act as it stood prior to the amendment enacted on September 13, 1960. The amendments to section 317 and 508 make portions of the Public Notice no longer applicable. In the interim, until the Commission has had an opportunity to restudy the whole matter carefully, and to make further interpretative and clarifying announcements and rules, the attention of all persons concerned is invited to the attached excerpts from the House Committee Report, which furnish useful indications of Congressional intent underlying the September 13, 1960 amendments to the Communications Act.

10. Also on September 21, 1960, a conference was held in the Commission's offices among members of the Commission's staff, certain individual members of the Alliance of Television Film Producers, Inc. (ATFP), and attorneys for the Alliance and the Motion Picture Association of America. During the course of the conference, ATFP members pointed out that the new law does not contain precise language to indicate whether its disclosure provisions are intended to apply to films produced before September 13, 1960—the effective date of the law; that production companies are frequently short-lived and it would be difficult if not impossible to secure information required by the disclosure provisions of the law in the case of distributors now circulating the products of defunct companies; that the disclosure provision may not apply to many feature-length films since they are produced for theatre distribution rather than being "intended for broadcasting"—although they may be so broadcast in future years; that widespread confusion now exists as to the disclosure requirement in connection with established, above-board arrangements in the film industry for securing props—such as "fleet deals" for the securing of new automobiles annually on a loan basis for use in films and for "other corporate purposes"; that if such arrangements are determined to require a sponsorship identification announcement, they will have to be done away with because "credit lines" of this type will destroy the value of such films for second-run syndication inasmuch as sponsors manufacturing products in competition with those mentioned in the "credits" will not buy such films for air use; that in the latter circumstances, such a situation is contrary to the public interest because it discourages the wide distribution of a great variety of programs, and because it will lead to a deterioration in the quality of films if prop costs must be taken from a production budget or in the alternative will result in a "cheaper" film production from a quality standpoint; that networks and stations are today in a position of being able to demand "disclosure" affidavits from film producers before accepting their product for broadcast, but that in the absence of specific rules from the Commission as to the applicability of the

new law film producers are unable to provide such information for older films and do not know to which current practices disclosure is intended; that in such a situation, a film producer may be held criminally liable for not complying with Section 508 of the Act; and that relief was urgently needed by ATFP members until the adoption of specific rules by the Commission.

11. On October 6, 1960, ATFP filed a petition requesting, pending the issuance of new rules, (a) an interim ruling under section 317(d) of the Act declaring that the provisions of section 317 as it existed prior to September 13, 1960 should govern announcements with respect to filmed programs produced prior to said date; and (b) the issuance of a waiver with respect to filmed programs produced after September 13, 1960. On November 4, 1960, representatives of the Commission conferred with representatives of the National Association of Broadcasters and the networks. In brief, the industry representatives favored the issuance of a ruling holding that new section 317 had prospective application; or, as an alternative, that certain waivers be issued pending adoption of new rules.

12. On November 21, 1960, the Commission issued a Report and Order (FCC 60-1369, Mimeo No. 96217) granting, in part, ATFP's petition of October 6, 1960. The Commission ordered as follows:

It is further ordered, That, to the extent that the announcement requirements of section 317 of the Communications Act of 1934, as amended, may apply to situations other than those within the scope of the twenty-seven examples set forth in House Report 1800 (86th Cong., 2d Sess.) and those encompassed within the Commission's rules relating to sponsorship identification in connection with programs involving the discussion of controversial issues of public importance, such requirements of section 317 are waived with respect to filmed or recorded programs which have been or will be distributed or syndicated for broadcast use.

It is further ordered, That, absent further Order of the Commission, this waiver shall remain in effect until the date that rules implementing sections 317 and 508 of the Communications Act are adopted by the Commission.

13. In our notice of proposed rule making in this proceeding, we pointed out that during the course of the industry conferences, a substantial question arose concerning the applicability of the provisions of new section 508 to films not produced exclusively for television. As indicated in the notice, and in order to avoid any uncertainty as to our understanding of the scope of the language in section 508, we included in the proposed revisions of § 3.654 of the rules a new paragraph (e) which specifically provided that films used by a television station which were photographed for commercial distribution after the effective date of the proposed rules will be presumed to have been produced with the intent that they would at some time be broadcast by television stations.³ The

³ As indicated in our notice of proposed rule making, we felt at that time that in view of the facts of the industry's economic life, proposed § 3.654(e) reflected the most realistic approach to this matter.

records of said conferences have been fully considered by the Commission in connection with our consideration of the proposed rules and, specifically, in connection with our consideration of proposed § 3.654(e). Full consideration has also been given to the letters dated October 21, 1960 and November 9, 1960, filed by the Motion Picture Association of America, Inc., and several of its member production organizations and by the three networks and the National Association of Broadcasters, respectively. These letters set forth the views of the respective parties with respect to certain matters discussed at the conferences.

14. We also proposed to amend §§ 3.119, 3.289 and 3.789 of our rules so as to make them consistent with the changes finally adopted with respect to § 3.654 and to issue our interpretations in a Public Notice entitled "Applicability of Sponsorship Identification Rules." As to the latter, our Notice of Proposed Rule Making included, without change, the 27 examples set forth in House Report No. 1800, 86th Congress, 2d Session. Nine additional interpretations were also proposed; the final document issued to contain, in addition to the interpretations, copies of sections 317 and 508 of the Act and the provisions of the rules finally adopted. Comments were invited as to our interpretations in view of their close relationship to the new rules.

The Proposed Rules

15. Since the major interest has centered on proposed § 3.654(e), we will deal with that paragraph first. Proposed § 3.654(e) reads as follows:

Any films broadcast by any television station which were photographed for commercial exhibition after the effective date of this subsection shall, in the absence of an adequate showing to the contrary, be presumed to have been intended for television exhibition.

16. At the outset, we wish to point out that the Commission has determined, for reasons fully set forth below, not to adopt proposed § 3.654(e) and to waive, pursuant to section 317(d) of the Communications Act, the requirements of section 317 with respect to feature motion picture films produced initially for theatrical exhibition.⁴ However, we wish to emphasize that we are fully convinced that such program matter does come within the terms of sections 317 and 508 and that our authority to promulgate rules requiring sponsorship identification announcements as to this type of program matter is likewise clear.

17. We will discuss at some length the rationale for our conclusions as to the scope of sections 317 and 508 and our rule making authority thereunder in order to fully and clearly apprise those affected of the applicability of these sections to them should the Commission decide at some future date that the public interest requires a withdrawal of the

⁴ For purposes of this report and order, such films will be referred to as "feature" films so as to distinguish them from "syndicated" films produced expressly for television broadcast.

waiver because of subsequent developments.

18. Neither section 317, particularly 317(c),⁵ nor section 508, particularly 508(b),⁶ of the Act exclude, by their terms, "feature" films. Nor can we find any exclusion of such films in the 27 examples set forth in House Report No. 1800, *supra*. Any interpretation of these sections which would exclude "feature" films from their scope must, therefore, have some other basis for support. Whether the legislative history of these provisions supports the conclusion that "feature" films are excluded from the scope of sections 317 and 508 is a matter which we will discuss shortly.

19. We again wish to point out that amended section 317 is clear as to its own terms and that no reference to the legislative history is necessary to determine the import of the section.⁷ Nevertheless, a careful study of the legislative history was made and it is our opinion that our initial conclusion, that no distinction was drawn between "feature" film and "syndicated" film, is re-affirmed by the pertinent legislative history. Our conclusions in this regard find clear support in several statements made by the floor managers of the bill both in the Senate⁸ and in the House⁹ during the

⁵ Section 317(c). "(c) The licensee of each radio station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program or program matter for broadcast, information to enable such licensee to make the announcement required by this section."

⁶ Section 508(b). "(b) Subject to subsection (d), any person who, in connection with the production or preparation of any program or program matter which is intended for broadcasting over any radio station, accepts or agrees to accept, or pays or agrees to pay, any money, service or other valuable consideration for the inclusion of any matter as a part of such program or program matter, shall, in advance of such broadcast, disclose the fact of such acceptance or payment or agreement to the payee's employer, or to the person for whom such program or program matter is being produced, or to the licensee of such station over which such program is broadcast."

⁷ "Where the language of an enactment is clear and construction according to its terms does not lead to absurd or impractical consequences, the words employed are to be taken as the final expression of the meaning intended." *Connecticut Committee Against Pay TV, et al. v. Federal Communications Commission, et al.*, 112 U.S. App. D.C. 248, 301 F. 2d 835; citing *U.S. v. Missouri Pac. R.R.*, 278 U.S. 269 (1929).

⁸ In a colloquy between Senator Pastore and Senator Engle concerning the applicability of the bill to certain "practices in the motion picture industry, which [have] been followed for 30 years or more by the studios . . .", Senator Pastore referred to one of the examples set forth in the House Report as controlling and, significantly, drew no distinction excluding "feature" motion pictures. *Cong. Rec.*, 86th Cong., 2d Sess., August 25, 1960, pp. 16395-16398.

⁹ In response to a question from Congressman Hiestand concerning the applicability of the bill to certain arrangements made by "Theatrical motion pictures and television motion picture producers . . .", Congressman Harris referred to the same example in the House Report as that referred to by Senator Pastore as controlling, stating:

debates on the bill. Contrary to the contention advanced by some parties filing comments, that since the Congress did not specifically authorize the Commission to take the proposed action, the Commission lacks the power to issue the proposed rule, we think the legislative history clearly shows that no such specific grant of authority was necessary to empower the Commission to implement the bill and apply it to specific matters.¹⁰

20. The purpose for the enactment of section 317 was to inform the listening public by whom it was being persuaded; the sole test as to whether a sponsorship identification announcement was required was whether there had been broadcast exposure in return for the payment of "any money, service or other valuable consideration"—if there was such an exposure, section 317 applied and an announcement as to the identity of the sponsor was required.¹¹ There is nothing in section 317, as amended, which excludes films not produced exclusively for television from the requirements of section 317, nor do any of the 27 examples in the House Report exclude such films. As to the argument that none of the 27 examples included or referred to "feature" films specifically, the short and clear answer is that the purpose of the examples is merely to illustrate the operation of the proviso clause of section 317 with respect to certain arrangements between program producers and those persons furnishing props or services for inclusion in programs; the 27 examples were clearly not intended to be illustrative of the type of program intended to be covered by sec-

"Under these circumstances an announcement would be required pursuant to section 317 and therefore the film producer would be required to furnish the necessary information to the network or broadcast licensee for whom the film is being produced." *Cong. Rec.*, 86th Congress, 2d Session, August 30, 1960, p. 17095. Of greater significance is a later statement made by Congressman Harris in an attempt to make the record clear upon this point. ". . . This bill was thoroughly explained to this House at length some time ago. The gentlemen and every member of the committee is well aware of the fact that there is no one who has to do with the preparation of programs is freed from responsibility. The provision of this bill which gets at the problems of payola and deceptive programming apply to the networks, the producers, the advertisers, and everybody, and would subject them to penalties if they do not discharge their responsibilities . . ." *Cong. Rec.*, 86th Cong., 2d Sess., August 30, 1960, p. 17101.

¹⁰ Cf. House Report No. 1800, 86th Cong., 2d Sess., at pp. 19-20, where it was stated: "Indirect benefits which may accrue to station licensees and their employees or other persons concerned with the selection of programs or program matter for broadcasting by reason of ownership of stock or other interests in companies engaged in the preparation or production of programs or program matter are not covered by section 317, as it is being amended, or by the proposed disclosure provisions. Disclosure of such benefits may be required by the Commission under its general rulemaking powers."

¹¹ "Sponsor Identification on Broadcast Stations", 6 Pike & Fischer RR 835; Report to the President by the Attorney General on Deceptive Practices in the Broadcasting Media, 19 Pike & Fischer RR 1901, 1909-1910.

tion 317. That section's provisions apply to "all matter broadcast."

21. Since section 317(a) (1) covers "all matter broadcast" and requires a sponsorship identification announcement whenever a licensee receives consideration for the inclusion of matter in a broadcast (except, of course, for those situations encompassed within the proviso clause of section 317(a) (1)), it is immaterial for purposes of section 317 whether the program matter for which the consideration was received was specifically or primarily intended for broadcast at the time it was produced. Section 317(b) extends the general provisions of the section to situations where consideration is received by another under circumstances which would have required a sponsorship identification announcement had the licensee received the consideration. As noted in the report by the House Committee on Interstate and Foreign Commerce (House Report No. 1800, *supra*), the purpose of section 317(b) was to eliminate payola and plugola practices involving persons other than the licensee. Since section 317(a) includes within its scope licensees only, a vehicle was needed to provide licensees with the information whereby compliance with the requirements of section 317(b) could be effected.

22. This vehicle is provided by section 508 of the Act, for it requires the disclosure of certain information by licensee employees, program producers, program suppliers, etc., pertinent to the applicability of the provisions of section 317(b). Thus, in order to determine the scope and effect of sections 317 and 508, they must be read together. We do not feel that it is realistic to argue, in effect, that Congress inadvertently neglected to include the phrase "intended for broadcasting" in section 317 and that since the scope of sections 317 and 508 were intended to be identical, the payment made under both sections must be for the inclusion of matter "intended for broadcasting." We believe that it is much more logical, and requires no tortuous reasoning, to conclude that the phraseology used by Congress in both sections was intentional; that the exclusion of the phrase "intended for broadcasting" in section 317(b) and its inclusion in section 508(b) had a valid and rational purpose. For, a careful reading of section 317 in its entirety reveals that that section applies to all program matter which is being broadcast, regardless of the intent of the producer at the time the program was produced; section 508(b) on the other hand, relates to that program matter which is intended for broadcast in the future. Disclosure is required to be made by section 508(b) as to that program matter, one purpose of which may be for broadcasting, and an announcement of sponsorship identification must be made, pursuant to section 317, as to all matter which is ultimately broadcast. Therefore, absent a waiver pursuant to section 317(d), since section 317 requires an announcement as to all sponsored broadcast matter, and not merely that matter which is intended for broadcasting, as urged, section 317 is broader than section

508(b); the two sections are not co-extensive.

23. As is evident from the statute, section 508 of the Act requires disclosure where consideration is paid or received in return for the inclusion (not broadcast exposure) of matter in a program "intended for broadcasting." The quoted phrase is the key phrase in section 508(b). The attempt by some to read into this phrase the words "primarily" or "expressly" is not well founded. The legislative history fails to reveal any support for such a construction. On the contrary, during the course of the hearings on the proposed legislation, the National Broadcasting Company conceded that "feature" films produced at present ultimately may be shown on television. Accordingly, it proposed language to specifically exempt such films from the operation of section 317; NBC's proposed section, which incorporated the word "expressly", was, however, not adopted.¹² A careful analysis of the phrase "intended for broadcasting" in the entire context in which it is used in section 508(b) indicates that the phrase refers not to the intent of the producer of the program matter but, rather, to the purpose for which the program was produced.¹³ We think it clear that the phrase "intended for broadcasting" relates to the program and is descriptive of its purpose; it is equally clear that the phrase in question does not relate to the intent of the program producer.

24. Our own knowledge and experience confirms the fact that the great majority of "feature" films that have been produced either have been or ultimately will be released for and exhibited on television; that the eventual television exhibition of "feature" film is a probable and perhaps necessary consequence of its production. The well established rule that one is presumed to intend the natural and probable consequences of one's acts appears to be of particular pertinence here. It is the generality of the experience upon which the presumption is founded, together with the proven facts, which determines the strength of the presumption.¹⁴ In short, to be valid, there must be some logical nexus or relationship based upon common knowledge, reason or experience between the proven fact and the presumed fact.¹⁵ The fact which we feel is proven is that one of the purposes behind the production of virtually all "feature" film produced today is eventual television exposure. Assuming the truth of this statement, and we will soon show that it is true, it is clear that we can take notice of this state of facts.¹⁶

25. Whether or not the primary purpose of the production of "feature" films is for broadcast exposure is, as has been shown, immaterial. It has been conceded by representatives of the motion picture industry that broadcast use may be one of the considerations in the production of "feature" films.¹⁷ Moreover, the economic facts of life of the motion picture industry today dictate that one of the principal purposes of film production is for broadcast exhibition, not only in order to gain maximum income from the film but also in order to recoup possible production, distribution or exhibition losses.¹⁸

26. What are the facts with respect to the television exhibition of so-called "feature" films? Available sources¹⁹ show that practically all of the theatrical motion pictures produced prior to 1948 (approximately 10,000) have been released to and exhibited on television in less than 10 years. Today, all of the major motion picture producers, with the sole exception of Universal Pictures Co., Inc. are in the process of releasing or have already released some of their post 1948 production to television²⁰ and it has been recognized by the major producers that this trend will continue.²¹

27. Of the approximately 3,100 post 1948 "feature" films produced by the major producers between 1948 and 1960, inclusive,²² approximately 900 had been sold to or released for television exhibition by the end of 1960 (these 900 films were released for television exhibition in an 18-month period).²³ Five of the nine major motion picture producers had sold or released to television more than 40 percent of their post 1948 backlog of "feature" films and some producers had released more than 50 percent of their "feature" film backlog.²⁴ According to a study made privately by a leading film company, and reported in substance in the trade press,²⁵ a substantial exhaustion of the new "feature" film supply is foreseen by the end of 1964 if the motion picture production companies continue their present rate of production and release. According to the study, by that time approximately 90 percent of all sound films made in Hollywood will have been sold or released for television

exhibition and by 1967, a complete exhaustion of such films is forecast.

28. It is pertinent to note that some "feature" films being exhibited on television today are of increasingly recent vintage and play an increasingly important role in television programming.²⁶ It has been estimated that network television affiliates have more than half of their programming on film; that non-affiliated television stations have more than three-fourths of their programming on film; and that about one-half of all television hours devoted to filmed programs is composed of "feature" films.²⁷ Of particular significance in this regard is the fact that the national networks themselves rely to a large degree on "feature" films for programming and have invested substantial sums in this source of television programming.²⁸

29. The degree to which the motion picture industry is dependent upon television as a market for its product is likewise apparent. According to an article in the trade press,²⁹ all of the major motion picture producers are involved in the television industry in some manner. Many major producers realize a large percentage of their gross annual revenues from their television activities³⁰ and, of course, the most common activity of the major movie producers in television is the release of their "feature" film backlog for television exhibition.³¹

¹² Broadcasting, April 2, 1962, p. 78, March 4, 1963, p. 63; Laurence Laurent, *The Washington Post*, March 2, 1963; Cecil Smith, *The Washington Post*, March 4, 1963.

¹³ Transcript 151-153, 5905, 6277, U.S. v. Loew's Incorporated, et al., 189 F. Supp. 373 (1960).

¹⁴ TV Digest, Vol. 17, Issue No. 18, p. 4 and Vol. 17, Issue No. 22, pp. 6-7. Also see footnote 26, supra.

¹⁵ TV Digest, Vol. 16, Issue No. 37, pp. 2-4, 6-7.

¹⁶ As much as 40% for Warner Brothers and Columbia Pictures; Allied Artists in fiscal 1961 realized 66.8 percent of its income from domestic film rentals, a substantial portion of which were to television, and Screen Gems, in fiscal 1960, realized 85% of its income from the licensing of television programs. Standard and Poor, *ibid*; Broadcasting, March 4, 1963, p. 72.

¹⁷ Some of the predominant television activities of the major movie producers are (a) the production of television film programs for the network^{31a}—this activity is engaged in by all of the major movie producers according to Standard and Poor and by many independent producers as well; (b) the distribution of independent productions at the network level; (c) the production and syndication of film series; (d) the production to order of television film and tape commercials; (e) studio rentals to independent television program and commercial producers, including rental of crews, facilities, sets, etc; (f) the overseas distribution of tele-filmed shows and features; (g) past and present ownership of television stations; (h) ownership interests in pay television systems, closed circuit television companies and CATV systems; (i) the ownership and manufacture of television electronics equipment; and (j) film lab processing and shipping of television programs and commercials.

^{31a} According to an article in *Variety*, the television program production center has substantially moved to Hollywood and 80 percent of all television programs now originate from or are produced in Hollywood. *Variety*, "TV Now Belongs to Hollywood", July 27, 1960, p. 33.

¹² See Hearings Before a Subcommittee of the Committee on Interstate and Foreign Commerce, House of Representatives, 86th Cong., 2d Sess., pg. 149.

¹³ Cf. *Sterling Novelty Co., Inc. v. Commonwealth*, 271 S.W. 2d 366, 368 (1954).

¹⁴ *Adler v. Board of Education*, 342 U.S. 485, 494; 27 A.L.R. 2d 472, quoting with approval *Mobile J. and K.C.R. Co. v. Turnipspeed*, 219 U.S. 35, 42.

¹⁵ *Minski v. U.S.*, 131 F. 2d 614, 617.

¹⁶ Cf. 14 *Console Type Slot Machines v. Commonwealth*, 273 S.W. 2d 582, 583.

¹⁷ See Transcript of Conference Relative to Application of Section 317 of Communications Act, September 21, 1960, Vol. 1, pp. 26-27, 30-33; November 4, 1960, Vol. 2, pp. 160-165.

¹⁸ E.g., according to a report in Standard and Poor, United Artists Corporation, one of the largest distributors of "feature" films to television, since 1951, has insisted, where possible, on being granted television rights in all of its theatrical distribution agreements.

¹⁹ TV Film Source Book, Vol. 3, Issue No. 7, Summer-Fall, 1959; Standard and Poor, Survey, Motion Picture Producers, p. A-62, et seq.; Broadcasting, Vol. 61, No. 22, November 27, 1961, pp. 27-28.

²⁰ Standard and Poor, *ibid*.

²¹ TV Digest, Vol. 15, Issue No. 14, p. 8 and Vol. 15, Issue No. 49, p. 16.

²² Broadcasting, Vol. 61, No. 22, November 27, 1961, pp. 27-28; TV Digest, Vol. 17, No. 15, p. 9.

²³ Standard and Poor, *ibid*; Broadcasting, *ibid*.

²⁴ *Ibid*.

²⁵ Broadcasting, *ibid*.

30. The arguments advanced by some of the parties against proposed § 3.654(e) seem to imply or to be based on the unexpressed assumption that "feature" films are somehow intrinsically and essentially of a different nature than syndicated films—films produced expressly for television exhibition. We believe that such an assumption is not only unrealistic but incorrect as well. *U.S. v. Columbia Pictures Corporation, et al.* 189 F. Supp. 153, 20 R.R. 2045. In that case, a civil anti-trust action brought pursuant to the Sherman and Clayton Acts (15 U.S.C. 1, et seq.), and seeking to enjoin the performance of a certain contract between defendants, the Court denied the requested injunction, holding, in part, that the Government had failed to prove a Clayton Act violation because it had not shown that the "line of commerce" or "product market" was limited to the distribution of "feature" films to television; rather, the Court found that the evidence "overwhelmingly establishes that the relevant line of commerce is broader than feature films. It encompasses all forms of television programming material, including syndicated film produced specifically for television, videotaped and live shows, cartoons and shorts." (189 F. Supp. at p. 183).

31. The Court went on to find that the Government's own witnesses gave " * * * persuasive testimony supporting the defendant's contentions that there is an absence of any peculiar characteristic or use sufficient to constitute feature films a separate and distinct product * * *"; that the prospect (now an actuality) that post 1948 "feature" films would soon be released for television exhibition had already affected the ability of distributors to sell television programming; and that the 1952 collective bargaining agreement between the Screen Actors Guild and motion picture producers, and all subsequent renewals of that agreement, as well as similar agreements with other industry unions had contained provisions relating to the television exhibitions of post 1948 "feature" films. In concluding that "feature" films did not constitute the appropriate "line of commerce" or "product market", the Court summarized the evidence as follows:

In sum, the evidence establishes that feature films face a high degree of competition from other forms of television programming material; that they do not have peculiar characteristics or uses that are significant for television purposes; and that they are reasonably interchangeable with, and compete against, all other types of television programming material. The Court's conclusion is that there is no line of commerce or product market limited to feature films alone. 189 F. Supp. at pp. 191, 192.³²

32. While no single finding made in the *Columbia Pictures* case, supra, nor any single fact in paragraphs 27-29, supra, is, in and of itself, conclusive, all of these findings and facts, viewed com-

prehensively, lead compellingly to the conclusion that the great majority of "feature" films produced today have, as one of their prime purposes, exposure on television. That the great majority of "feature" films made today will, within a relatively short time after production, be exhibited on television is an undeniable reality. To conclude, in light of this reality, that "feature" films are not intended for broadcasting would be to close our eyes to the facts and realities of the industry's economic life. We will not so conclude.

33. In short, we believe that "feature" film is "program matter which is intended for broadcasting"; accordingly, in the absence of a waiver pursuant to section 317(d), sections 317 and 508 apply; and that we clearly have authority to promulgate appropriate rules implementing those sections and relating to "feature" film.

34. As indicated above, we have decided to waive the requirements of section 317 with respect to "feature" film. In determining whether to adopt a rule such as that proposed or to grant a waiver, we have exhaustively reviewed the circumstances and events which existed prior to the amendment to section 317 and the adoption of section 508 of the Act, circumstances and events which, to a large extent, prompted said legislation. Our prior experience with respect to the administration and enforcement of section 317, of course, contains nothing which would indicate that the theatrical motion picture industry has engaged in practices which were felt to be contrary to the public interest as it relates to broadcasting and to be in direct opposition to the right of the public to know the identity of those who are attempting to persuade it through broadcast programs. Lacking any such indications in our own experience, we next turned to the record of the prior proceedings before the Special House Subcommittee on Legislative Oversight. A thorough review of the proceedings before the Special Subcommittee and of the several reports issued by it similarly fails to indicate the existence of practices in the motion picture industry similar to those discussed in paragraphs 2-4, supra.

35. Thus, we are aware of no public interest considerations which dictate the immediate adoption of a rule similar to that proposed. As we have stated, there is no evidence before us which tends to establish that any practices in this regard prevail in this industry which improperly affect broadcasting. Moreover, we believe the likelihood of such practices developing is diminished to an extent by virtue of the present time lag between production of "feature" film and its exhibition on television. And before we adopt a rule which might have some disruptive and dislocating economic effects and which might inhibit program production (see paragraph 10), we believe that we should have evidence indicative of a need for such a rule. In the absence of any such indications, we are not constrained to adopt a rule which might have potential adverse effects on both the motion picture industry and the future supply of programs. Accord-

ingly, we find that the public interest does not require at this time application of the provisions of section 317 to "feature" films. In adopting this course, we wish to emphasize our intention to maintain a careful and continuing surveillance of industry practices; additionally, attention will also be given to the continued operation and development of the theatrical motion picture industry to determine whether the adoption of the proposed rule or some other appropriate rule might subsequently become necessary. Our authority being clear in this regard, we will be prompt in taking whatever action is deemed necessary as a result of future developments.

36. One final matter concerning our waiver remains which we feel merits specific comment. Because of the potential effect and sensitivity of programs involving controversial issues of public importance, and because of the importance of a full and open exchange of ideas to our system of government, we have traditionally and consistently been keenly concerned with such programs. Our concern is well-illustrated by the present requirements of § 3.654 (b), (c) and (d) of our rules, repeated verbatim in proposed § 3.654 (d), (f) and (g).³³ Accordingly, in our consideration of whether a waiver should be issued with respect to the applicability of section 317 to "feature" films, serious thought was given to excepting political and controversial issue programs from the scope of any such waiver.³⁴ However, as stated in paragraph 34, we are aware of no improper practices in the motion picture industry with respect to undisclosed sponsorship in general. This is true with respect to political and controversial issue programs as well.

37. Thus, there appears to be no need at present to except such programs from a waiver. In order that the action we are taking today may be perfectly clear, and for the reasons stated in paragraphs 34-36, we are adopting a rule which expressly waives the requirements of section 317 with respect to "feature" motion picture films produced initially and primarily for theatrical exhibition. As indicated, however, we will maintain a careful surveillance of industry practices. Special attention will be given to any pertinent developments in the motion picture industry—particularly with respect to any subsequent developments which evidence a need to restrict the scope of our waiver so as to exclude from its provisions political and controversial issue programs.

38. We turn now to proposed § 3.654 (a), (b), (c), (d), (f), (g), (h), and (i). As to proposed paragraphs (c), (d), (f), (g), and (i), no critical comments were filed. We have given careful consideration to the adoption of these paragraphs and, since no objection was raised as to their adoption, and in view of the fact that, with the exception of para-

³² No critical comments were filed against these subsections.

³⁴ E.g., see our Memorandum Opinion and Order in *In re Petition of Alliance of Television Film Producers* (FCC 60-1369, Memo No. 96227).

³³ With respect to competition between "feature" films and other programming material, see also *United States v. Loew's Inc., et al.*, 189 F. Supp. 373, 20 R.R. 2131, 2137, aff'd 371 U.S. 38.

graphs (c), (g), and (i),³⁵ all are merely restatements of the present rules, they will be adopted without change.

39. Proposed § 3.654 (a) and (b) read as follows:

(a) When a television broadcast station transmits any matter for which money, services, or other valuable consideration is either directly or indirectly paid or promised to, or charged or received by, such station, the station shall broadcast an announcement that such matter is sponsored, paid for, or furnished, either in whole or in part, and by whom or on whose behalf such consideration was supplied: *Provided, however*, That "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.

(b) The licensee of each television broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program matter for broadcast, information to enable such licensee to make the announcement required by this section.

As to these paragraphs, only general comments were filed. It was contended, in essence, that the proposed paragraphs were vague, did not adequately clarify the Act and did not sufficiently define the phrase "reasonable diligence" used in paragraph (b). In substance, we have been requested to adopt rules covering specific factual situations and providing detailed guidance as to the meaning of "reasonable diligence."

40. We believe that such a procedure is neither warranted nor desirable; rather, the better procedure, we feel, is to issue rules which afford general guidance, as do paragraphs (a) and (b), and to issue such opinions from time to time as may be necessary, interpreting said subsections. These interpretations, when issued, would, of course represent the Commission's opinion of the precise intent and effect of section 317 and the Commission's rules. This is with procedure which we propose to follow, pursuant to § 3.654(i). Thus, instead of attempting to draft specific rules to cover particular fact situations which may or may not arise, we intend instead, to issue interpretive rulings on specific fact situations if and when they arise. This procedure, we believe, will avoid the pitfalls of attempting to issue rules based on conjectural situations; for the presence or absence of a given fact in such a situation might well render the rule inapplicable.

41. In any event, we wish to point out that the proposed paragraphs do provide a substantial measure of guidance. By adopting section 317(a) (1) of the Act as § 3.654(a) of our rules, we are also adopting, as specific interpretations thereof, the 27 examples set forth in House Report 1800, 86th Congress, 2d

Session. In addition, 9 new examples of the applicability of section 317(a) (1) and of paragraph (a), more fully discussed, *infra*, have been proposed. The general guides inherent in paragraph (a), together with the guidance provided by said examples, shed substantial light on the meaning of said paragraph. Finally, we believe that the guidelines and requirements inherent in section 317, the proposed rules, and the 36 examples afford licensees substantial assistance in their efforts to comply with the "reasonable diligence" provision of paragraph (b).

42. Proposed § 3.654(g) reads as follows:

(g) In the case of any program, other than a program advertising commercial products or services, which is sponsored, paid for or furnished, either in whole or in part, or for which material or services referred to in paragraph (f) of this section are furnished, by a corporation, committee, association or other unincorporated group, the announcement required by this section shall disclose the name of such corporation, committee, association or other unincorporated group. In each such case the station shall require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group shall be made available for public inspection at the studios or general offices of one of the television broadcast stations carrying the program.

We have enlarged this rule to indicate that with respect to a network originated program, the required records must be available for public inspection only at the originating station. As to the broadcast of a program contemplated by this rule by several stations on a non-network basis, the rule has been clarified so as to indicate that the required records must be available for public inspection at one of the stations in each community in which the program is broadcast.

43. Proposed § 3.654(h), repeated verbatim in the rules for the other broadcast services, reads as follows:

(h) In the case of programs advertising commercial products or services, an announcement stating the sponsor's corporate or trade name or, where it will serve the requirements herein, the name of the sponsor's product, shall be deemed sufficient for the purposes of this section and only one such announcement need be made at any time during the course of the program.

This proposed subsection is, of course, identical to existing § 3.654(e) except for the added phrase "where it will serve the requirements herein". Several of the parties commenting on this proposed subsection stated that the new phrase might lead to confusion when read in conjunction with proposed § 3.654(f) which requires a full and fair disclosure of the identity of the persons from whom valuable consideration is received in return for the inclusion of broadcast matter. It was stated that one might conclude that the sponsor's corporate or trade name must also be announced, in addition to the name of the sponsor's product, in those instances where the trade name of the product did not also contain the sponsor's corporate or trade name.

44. We have, of course, previously approved of sponsorship identification announcements which referred only to the trade name of the product being advertised (see our Public Notice of October 10, 1950, "Sponsor Identification on Broadcast Stations", 6 Pike and Fischer R.R. 835), the rationale being that it was clear from the matter broadcast that payment is ordinarily made for the broadcast of such matter and that such broadcast matter contains a "built-in" sponsorship identification announcement. The 1960 amendment of section 317 did not affect the requirements in this respect or the Commission's rationale.³⁶

45. The purpose of the added phrase was to clarify those situations in which a mention of the trade name of the product was itself an identification not reasonably related to the use of the product in the program thereby requiring an announcement identifying the supplier of the product. We agree, however, that the phrase in question might tend to be misleading or confusing and that the suggested revision (that the phrase in question be deleted and that in place thereof be substituted the phrase "when it is clear that the mention of the name of the product constitutes a sponsorship identification") better illustrates the intent of the proposed paragraph. Thus, where the mention of the name of the product in the broadcast in and of itself constitutes the unreasonable identification of the product (the "plug"), § 3.654(h) will require an announcement identifying the supplier of the product.

46. We are also substituting the word "matter" for the word "program" in proposed § 3.654(h) so as to conform this paragraph with § 3.654(a). This revision, as well as the revision discussed in paragraph 44, *supra*, is reflected in the new paragraph.

The March 16, 1960 Public Notice

47. In our notice of proposed rule making in this proceeding, we stated, with respect to our March 16, 1960 Public Notice (FCC 60-239):³⁷ "To the extent that those interpretations (of the March 16, 1960 Public Notice) conflict with the rules proposed herein and with the appended case illustrations, they will not be applied in determining compliance with the attached rules." In view of this statement, many of the parties filing comments in this proceeding urged that such action would lead to confusion since those interpretations of the March 16, 1960 Public Notice considered to be still applicable were not specified and since, in order to reach a conclusion with respect to what section 317 required in a given case, the March 16, 1960 Public Notice, section 317, the Commission's rules and the 27 examples would all have to be read in conjunction.

48. The objections are well founded. By incorporating section 317, section 508, the Commission's rules and the case

³⁵ Proposed § 3.654(c) is a restatement of section 317(b) of the Act and proposed § 3.654(i) merely informs the public where our interpretative rulings of section 317 may be found.

³⁶ See the statement of Congressman Harris, Cong. Rec., 86th Cong., 2d Sess., August 30, 1960, p. 17095.

³⁷ See paragraphs 3 and 6, *supra*, for a discussion of the March 16, 1960 Public Notice and events subsequent to its issuance.

illustrations thereunder in one comprehensive document (i.e., the Public Notice being issued today), we believe the task of researching and interpreting section 317 will be facilitated. Additionally, most of the situations discussed in the March 16, 1960 Public Notice have, to a large extent, been codified and supplemented by the passage of the amended section 317, the enactment of new section 508, the 27 case illustrations in House Report 1800, supra, and our amended rules.³³ In view of the above, the withdrawal of the March 16, 1960 Public Notice is appropriate and desirable.

Proposed Case Illustrations

49. Substantially all of the parties filing formal comments in this proceeding expressed the view that the case illustrations were reasonable and constituted definite aids to the interpretation of and compliance with section 317. Specific comments were filed with respect to proposed case illustrations 20, 28, 33, 35(b) and 35(c) and these examples will each be discussed separately.

50. Example 20 reads as follows:

20. A well-known performer appears as a guest artist on a program at union scale because the performer likes the show, although the performer normally commands a much higher fee. No announcement is required.

It was suggested that the example should be clarified to further indicate that no announcement is required when the performer appears on the program at less than his regular fee because (a) he believes that a movie in which he is appearing will be mentioned, or (b) it is agreed that the movie will be mentioned, so long as the broadcast mention is a matter of general interest and is of the type that is normal even where the performer receives his regular fee for appearing on the program.

51. The requested clarifications are presently under consideration in a pending rule-making proceeding (Docket No. 14119) in which a rule is proposed which would require broadcast announcements disclosing certain financial interests of broadcast stations, networks, their principals and employees, in services and commodities receiving broadcast promotion. We feel, therefore, that our comments in this respect should be reserved until such time as that proceeding is finalized.³⁴

³³ See also footnote 1 in this regard.

³⁴ Another of the parties suggested that in addition to the situations set forth in examples 18, 19 and 21, there were two additional and somewhat analogous situations as to which a clarification of our position would be helpful and proposed four new examples encompassing such situations. These situations and the proposed examples either relate to instances involving broadcast appearances by persons having interests in products or services mentioned during the broadcast or relate to the broadcast use and exposure of props or services furnished to the licensee; no payment is made for the broadcast mention or exposure and said mention or exposure is reasonably related to the program. We have carefully considered the suggested new examples and feel that the situations described therein are well within the scope of examples 10-21. Since nothing

52. Example 28 reads as follows:

28. An automobile manufacturer or dealer furnishes to a producer of television programs a number of automobiles with the understanding that the producer will use them, or some of them, in some of his programs which call for the use of automobiles; and that the automobiles may be used for other business purposes in connection with the production of the programs, such as transporting the cast, crew, equipment and supplies from location to location or transporting executive personnel to business meetings in connection with the production of the programs. There is no understanding that there will be any identification on the television programs beyond an identification which is reasonably related to the use of the automobiles on the programs. No other consideration is involved. Under such uses, no announcement is required.

A new subpart (b) has been added to this example so as to make it clear that an announcement is required if one or more of the automobiles may be, and are, used for other purposes wholly unrelated to the production of the program. It is believed that this subpart is consistent with example 28(a) and will avoid possible confusion.

53. Example 33 reads as follows:

33. A station carries an announcement (or program) on behalf of a candidate for public office or on behalf of the proponents or opponents of a bond issue (or any other public controversial issue). At the conclusion thereof, the station broadcasts a "disclaimer" or states that "the preceding was a paid political announcement." Such announcements per se do not demonstrate compliance with the sponsorship identification rules. The rules do not provide that either of the above-mentioned types of announcements must be made, but they do provide in such situations that an identification be broadcast which will fully and fairly disclose the true identity of the person or persons by whom or in whose behalf payment was made. If payment is made by an agent, and the station has knowledge thereof, the announcement shall identify the person in whose behalf such agent is acting. If the sponsor is a corporation, committee, association or other group, the required announcement shall contain the name of such group; moreover, the station broadcasting any matter on behalf of such group shall require that a list of the chief officers, members of the executive committee or members of the board of directors of the sponsoring organization be made available upon demand for public inspection at the studios or general offices of the station.

One of the parties filing comments pointed out that this example provides that the required records be available for public inspection at the studios or general offices of the station carrying the program while proposed § 3.654(g) requires only that the information be available at the studios or general offices of one of the broadcast stations carrying the program. The example has been revised so as to conform with § 3.654(g).

54. Examples 35 (a), (b) and (c) read as follows:

35. (a) A trade association furnishes a television station with kinescope recordings of a Senate committee hearing on labor relations. The subject of the kinescope is a strike being conducted by a labor union.

new is added by said examples, however, no useful purpose would be served by their adoption.

The station broadcasts the kinescope on a "sustaining" basis but does not announce the supplier of the film. The failure to make an appropriate announcement as to the party supplying the film is a violation of the Commission's sponsorship identification rules dealing with the presentation of program matter involving controversial issues of public importance. Moreover, the Commission requires that a licensee exercise due diligence in ascertaining the identity of the supplier of such program matter. An alert licensee should be on notice that expensive kinescope prints dealing with controversial issues are being paid for by someone and must make inquiry to determine the source of the films in order to make the required announcement. (See KSTP, Inc., 17 R.R. 553 and Storer Broadcasting Co., 17 R.R. 556a.) A station which has ascertained the source of kinescopes is under an additional obligation to supply such information to any other station to which it furnishes the program.

(b) Same situation as above, except that the time for the program is sold to a sponsor (not the supplier of the film) and contains proper identification of the advertiser purchasing the program time. An additional announcement as to the supplier of the films is still required, for the reasons set forth above.

(c) Same situation in (a) or (b), above, except that only excerpts from the film are used by a station in its news programs. An announcement as to the source of the films is required. (See Westinghouse Broadcasting Co., 17 R.R. 556d.)

As to example 35(b), it was contended that an additional identification as to the supplier of the film is not necessary since, in the circumstances set forth in the example, the inducement for the broadcast is the sponsorship of the program and not the furnishing of the film to the station.

55. To the extent that the sole inducement for the broadcast of the program is its sponsorship, we agree that the only identification announcement that would be required would be an announcement as to sponsorship. However, example 35(b) specifically incorporates the facts set forth in 35(a), and there an inducement for the broadcast was the supplying of the film. Clearly, to the extent that 35(b) contemplates that part of the inducement for the broadcast of the program is the free offer of the film, an announcement would be required identifying the supplier. This interpretation is, we believe, fully consistent with section 317(a) and new § 3.654 (d) and (f).

56. As to example 35(c), it was contended that the proposed example was misleading in that it permits the conclusion that whenever material involving controversial issues of public importance is supplied to a station free of charge, the use of any portion of such material in a news program would require an announcement as to its source. This conclusion, it is stated, is not only contrary to example 11⁴⁰ but is also inconsistent with the legislative intent. It is requested that the example should be

⁴⁰ Example 11 states: "News releases are furnished to a station by Government, business, labor and civic organizations, and private persons, with respect to their activities, and editorial comment therefrom is used on a program. No announcement is required."

limited to the facts in Westinghouse Broadcasting Co., 17 R.R. 556d.⁴¹

57. Neither of the objections to proposed example 35(c) (inconsistency with example 11 and the legislative intent) is wholly correct. It is true that it was indicated during the debates in the House⁴² that, pursuant to example 11, no announcement as to the supplier was required under certain circumstances. However, section 317(a) (2) of the Act also states:

Nothing in this section shall preclude the Commission from requiring that an appropriate announcement shall be made at the time of the broadcast in the case of any political program or any program involving the discussion of any controversial issue for which any films, records, transcriptions, talent, scripts, or other material or service of any kind have been furnished, without charge or at a nominal charge, directly or indirectly, as an inducement to the broadcast of such program.

58. Thus, the Commission was given broad discretion to determine whether it should require appropriate announcements "in the case of any political program or any program involving the discussion of any controversial issue . . .". We believe that the obligation upon the licensee to disclose, and the right of the listening and viewing public to know by whom it is being persuaded, is greater in the area of political and controversial issue programs than it is in the case of commercial programs. The Commission's traditional concern with such programs is well-illustrated by the present requirements of § 3.654 (b), (c), and (d) of its Rules, repeated verbatim in proposed paragraphs (d), (f), and

⁴¹In Westinghouse, briefly, the N.A.M. supplied to Station KYW-TV, at no charge, kinescopes, prepared by Station WTIG-TV at the N.A.M.'s request, of portions of the "Kohler Hearings" conducted by the Select Senate Committee on Labor and Management. KYW-TV used several clips of the films in connection with several of its regular news broadcasts and no identifying announcement or log entry was made by the station. In rejecting KYW's contentions that the material used did not constitute a program, or the furnishing thereof an inducement within the meaning of the Commission's rules, the Commission stated: "... the elements which bring § 3.654(b) into operation were all present—a program involving (in this respect) a discussion of a public controversial issue; material furnished, even though not prepared, by the N.A.M.; use by the station of portions of the material; and inducement. It is immaterial that KYW-TV presented other material on the same subject on the same news programs, or that the station would have presented such programs and information on the subject in any event even if the film material had not been available. The application of this section of the Rule is clearly not limited to situations where a station presents a special program consisting of the material furnished, which it would not have presented otherwise, or where the material furnished is the only material presented on the subject . . . Where such regular programs contain material on controversial issues supplied to the station under the circumstances present here, it is of the utmost importance that the source of the material be identified."

⁴²Cong. Rec., 86th Cong., 2d Sess., June 23, 1960, p. 13059.

(g).⁴³ Hence, with respect to political programs or programs involving the discussion of public controversial issues, more frequent identification announcements are required than for commercial programs, greater specificity is required as to the true identity of those furnishing the programs, and records available for public inspection are required to be kept by the stations.

59. We do not believe that the Commission's strict identification requirements in this area of programming should be relaxed. Perhaps to a greater extent today than ever before, the listening and viewing public is being confronted and beseeched by a multitude of diverse, and often conflicting, ideas and ideologies. Paramount to an informed opinion and wisdom of choice in such a climate is the public's need to know the identity of those persons or groups who solicit the public's support. We believe that proposed example 35(c) is illustrative of an attempt to fulfill this need.

60. As indicated in our notice of proposed rule making, we are, simultaneously with the adoption of the rules, releasing a Public Notice, entitled "Applicability of Sponsorship Identification Rules". This document contains the amended section 317 of the Act, the new section 508, the Commission's amended sponsorship identification rules and the 36 case illustrations. From time to time, as the occasion warrants, we will add new case illustrations to this document.

61. Authority for the adoption of the proposed rules is contained in sections 4(i), 303(r) and 317 of the Communications Act of 1934, as amended.

In view of the foregoing, *It is ordered*, That, effective June 20, 1963, Part 3 of the Commission's rules is amended as set forth below.

It is further ordered, That, the Commission's Public Notice (FCC 60-239) of March 16, 1960 entitled "Sponsorship Identification of Broadcast Material" is withdrawn.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154. Interpret or apply secs. 303, 307, 48 Stat. 1082, 1083; 47 U.S.C. 303, 307)

Adopted: May 1, 1963.

Released: May 6, 1963.

FEDERAL COMMUNICATIONS

COMMISSION,

[SEAL] BEN F. WAPLE,

Acting Secretary.

Sections 3.119, 3.289, 3.654 and 3.789 are amended to read as follows:

§ 3.119 Sponsored programs, announcement of.

(a) When a standard broadcast station transmits any matter for which money, services, or other valuable consideration is either directly or indirectly paid or promised to, or charged or received by, such station, the station shall broadcast an announcement that such matter is sponsored, paid for, or fur-

⁴³As noted, supra, no objections were filed against these paragraphs.

nished, either in whole or in part, and by whom or on whose behalf such consideration was supplied: *Provided, however*, That "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.

(b) The licensee of each standard broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(c) In any case where a report (concerning the providing or accepting of valuable consideration by any person for inclusion of any matter in a program intended for broadcasting) has been made to a standard broadcast station, as required by section 508 of the Communications Act of 1934, as amended, of circumstances which would have required an announcement under this section had the consideration been received by such standard broadcast station, an appropriate announcement shall be made by such station.

(d) In the case of any political program or any program involving the discussion of public controversial issues for which any records, transcriptions, talent, scripts, or other material or services of any kind are furnished, either directly or indirectly, to a station as an inducement to the broadcasting of such program, an announcement shall be made both at the beginning and conclusion of such program on which such material or services are used that such records, transcriptions, talent, scripts, or other material or services have been furnished to such station in connection with the broadcasting of such program: *Provided, however*, That only one such announcement need be made in the case of any such program of 5 minutes' duration or less, which announcement may be made either at the beginning or conclusion of the program.

(e) The announcement required by this section shall fully and fairly disclose the true identity of the person or persons by whom or in whose behalf such payment is made or promised, or from whom or in whose behalf such services or other valuable consideration is received, or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person contracts or otherwise makes arrangements with a station on behalf of another, and such fact is known to the station, the announcement shall disclose the identity of the person or persons in whose behalf such agent is acting instead of the name of such agent.

(f) In the case of any program, other than a program advertising commercial products or services, which is sponsored,

paid for, or furnished, either in whole or in part, or for which material or services referred to in paragraph (d) of this section are furnished, by a corporation, committee, association, or other unincorporated group, the announcement required by this section shall disclose the name of such corporation, committee, association, or other unincorporated group. In each such case the station shall require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group shall be made available for public inspection at the studios or general offices of one of the standard broadcast stations carrying the program in each community in which the program is broadcast.

(g) In the case of broadcast matter advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification, shall be deemed sufficient for the purposes of this section and only one such announcement need be made at any time during the course of the program.

(h) Commission interpretations in connection with the foregoing rules may be found in the Commission's Public Notice entitled "Applicability of Sponsorship Identification Rules"¹ and such supplements thereto as are issued from time to time.

§ 3.239 Sponsored programs, announcement of.

(a) When an FM broadcast station transmits any matter for which money, services, or other valuable consideration is either directly or indirectly paid or promised to, or charged or received by, such station, the station shall broadcast an announcement that such matter is sponsored, paid for, or furnished, either in whole or in part, and by whom or on whose behalf such consideration was supplied: *Provided, however*, That "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.

(b) The licensee of each FM broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(c) In any case where a report (concerning the providing or accepting of valuable consideration by any person for inclusion of any matter in a program intended for broadcasting) has been made to an FM broadcast station, as

required by section 508 of the Communications Act of 1934, as amended, of circumstances which would have required an announcement under this section had the consideration been received by such FM broadcast station, an appropriate announcement shall be made by such station.

(d) In the case of any political program or any program involving the discussion of public controversial issues for which any records, transcriptions, talent, scripts, or other material or services of any kind are furnished, either directly or indirectly, to a station as an inducement to the broadcasting of such program, an announcement shall be made both at the beginning and conclusion of such program on which such material or services are used that such records, transcriptions, talent, scripts, or other material or services have been furnished to such station in connection with the broadcasting of such program: *Provided, however*, That only one such announcement need be made in the case of any such program of 5 minutes' duration or less, which announcement may be made either at the beginning or conclusion of the program.

(e) The announcement required by this section shall fully and fairly disclose the true identity of the person or persons by whom or in whose behalf such payment is made or promised, or from whom or in whose behalf such services or other valuable consideration is received or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person contracts or otherwise makes arrangements with a station on behalf of another, and such fact is known to the station, the announcement shall disclose the identity of the person or persons in whose behalf such agent is acting instead of the name of such agent.

(f) In the case of any program, other than a program advertising commercial products or services, which is sponsored, paid for, or furnished, either in whole or in part, or for which material or services referred to in paragraph (d) of this section are furnished, by a corporation, committee, association, or other unincorporated group, the announcement required by this section shall disclose the name of such corporation, committee, association, or other unincorporated group. In each such case the station shall require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group shall be made available for public inspection at the studios or general offices of one of the FM broadcast stations carrying the program in each community in which the program is broadcast.

(g) In the case of broadcast matter advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification, shall be deemed sufficient for the purposes of this section and only one such announcement need be made at

any time during the course of the program.

(h) Commission interpretations in connection with the foregoing rules may be found in the Commission's Public Notice entitled "Applicability of Sponsorship Identification Rules"¹ and such supplements thereto as are issued from time to time.

§ 3.654 Sponsored programs, announcement of.

(a) When a television broadcast station transmits any matter for which money, services, or other valuable consideration is either directly or indirectly paid or promised to, or charged or received by, such station, the station shall broadcast an announcement that such matter is sponsored, paid for, or furnished, either in whole or in part, and by whom or on whose behalf such consideration was supplied: *Provided, however*, That "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.

(b) The licensee of each television broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(c) In any case where a report (concerning the providing or accepting of valuable consideration by any person for inclusion of any matter in a program intended for broadcasting) has been made to a television broadcast station, as required by section 508 of the Communications Act of 1934, as amended, of circumstances which would have required an announcement under this section had the consideration been received by such television broadcast station, an appropriate announcement shall be made by such station.

(d) In the case of any political program or any program involving the discussion of public controversial issues for which any films, records, transcriptions, talent, scripts, or other material or services of any kind are furnished, either directly or indirectly, to a station as an inducement to the broadcasting of such program, an announcement shall be made both at the beginning and conclusion of such program on which such material or services are used that such films, records, transcriptions, talent, scripts, or other material or services have been furnished to such station in connection with the broadcasting of such program: *Provided, however*, That only one such announcement need be made in the case of any such program of 5 minutes' duration or less, which announcement may be made either at the beginning or conclusion of the program.

¹ F.R. Doc. 63-5050, *infra*.

(e) The announcements required by section 317(b) of the Communications Act of 1934, as amended, are waived with respect to feature motion picture films produced initially and primarily for theatre exhibition.

NOTE: The waiver heretofore granted by the Commission in its Report and Order of November 21, 1960 (FCC 60-1369), continues to apply to programs filmed or recorded on or before June 20, 1963.

(f) The announcement required by this section shall fully and fairly disclose the true identity of the person or persons by whom or in whose behalf such payment is made or promised, or from whom or in whose behalf such services or other valuable consideration is received, or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person contracts or otherwise makes arrangements with a station on behalf of another, and such fact is known to the station, the announcement shall disclose the identity of the person or persons in whose behalf such agent is acting instead of the name of such agent.

(g) In the case of any program, other than a program advertising commercial products or services, which is sponsored, paid for, or furnished, either in whole or in part, or for which material or services referred to in paragraph (d) of this section are furnished, by a corporation, committee, association, or other unincorporated group, the announcement required by this section shall disclose the name of such corporation, committee, association, or other unincorporated group. In each such case the station shall require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group shall be made available for public inspection at the studios or general offices of one of the television broadcast stations carrying the program in each community in which the program is broadcast.

(h) In the case of broadcast matter advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification, shall be deemed sufficient for the purposes of this section and only one such announcement need be made at any time during the course of the program.

(i) Commission interpretations in connection with the foregoing rules may be found in the Commission's Public Notice entitled "Applicability of Sponsorship

Identification Rules"¹ and such supplements thereto as are issued from time to time.

§ 3.789 Sponsored programs, announcement of.

(a) When an international broadcast station transmits any matter for which money, services, or other valuable consideration is either directly or indirectly paid or promised to, or charged or received by, such station, the station shall broadcast an announcement that such matter is sponsored, paid for, or furnished, either in whole or in part, and by whom or on whose behalf such consideration was supplied: *Provided, however*, That "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.

(b) The licensee of each international broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(c) In any case where a report (concerning the providing or accepting of valuable consideration by any person for inclusion of any matter in a program intended for broadcasting) has been made to an international broadcast station, as required by section 508 of the Communications Act of 1934, as amended, of circumstances which would have required an announcement under this section had the consideration been received by such international broadcast station, an appropriate announcement shall be made by such station.

(d) In the case of any political program or any program involving the discussion of public controversial issues for which any records transcriptions, talent, scripts, or other material or services of any kind are furnished, either directly or indirectly, to a station as an inducement to the broadcasting of such program, an announcement shall be made both at the beginning and conclusion of such program on which such material or services are used that such records, transcriptions, talent, scripts, or other material or services have been furnished to such station in connection with the broadcasting of such programs: *Pro-*

vided, however, That only one such announcement need be made in the case of any such program of 5 minutes' duration or less, which announcement may be made either at the beginning or conclusion of the program.

(e) The announcement required by this section shall fully and fairly disclose the true identity of the person or persons by whom or in whose behalf such payment is made or promised, or from whom or in whose behalf such services or other valuable consideration is received, or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person contracts or otherwise makes arrangements with a station on behalf of another, and such fact is known to the station, the announcement shall disclose the identity of the person or persons in whose behalf such agent is acting instead of the name of such agent.

(f) In the case of any program, other than a program advertising commercial products or services, which is sponsored, paid for or furnished, either in whole or in part, or for which material or services referred to in paragraph (d) of this section are furnished, by a corporation, committee, association, or other unincorporated group, the announcement required by this section shall disclose the name of such corporation, committee, association, or other unincorporated group. In each such case the station shall require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group shall be made available for public inspection at the studios or general offices of one of the international broadcast stations carrying the program in each community in which the program is broadcast.

(g) In the case of broadcast matter advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification, shall be deemed sufficient for the purposes of this section and only one such announcement need be made at any time during the course of the program.

(h) Commission interpretations in connection with the foregoing rules may be found in the Commission's Public Notice entitled "Applicability of Sponsorship Identification Rules"¹ and such supplements as are issued from time to time.

[F.R. Doc. 63-5051; Filed, May 9, 1963; 8:50 a.m.]

¹ F.R. Doc. 63-5050, *infra*.

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 52]

CANNED RED TART PITTED CHERRIES

U.S. Standards for Grades¹

Notice is hereby given that the U.S. Department of Agriculture is considering revising the United States Standards for Grades of Canned Red Tart Pitted Cherries (7 CFR 52.771-52.782) pursuant to the authority contained in the Agricultural Marketing Act of 1946 (Secs. 202-208, 60 Stat. 1087, as amended; 7 U.S.C. 1621-1627).

Statement of considerations leading to the proposed revision. United States Standards for Grades of Canned Red Tart Pitted Cherries were last revised on June 23, 1949. These standards as last revised, in general, have served the industry well. There have been recurring objections, however, by buyers, particularly bakers and preservers regarding the number of pits permitted in the grades. Under the current standards the pit tolerance is the same for both Grade A and Grade C. Because of their concern with pits many buyers specify a lesser number of pits in their purchase contracts than are permitted by the standards.

The Department, in giving consideration to a revision of the standards to reduce the pit tolerance, conducted studies during the 1961 and 1962 packing seasons to determine the number and frequency of occurrence of pits in canned and frozen red tart pitted cherries. The studies were designed to develop data that would show whether or not it would be feasible to reduce the pit tolerance.

The studies were national in scope. The producing industry cooperated in the studies. Extensive data was supplied by firms not under any type of USDA in-plant inspection as well as plants under such inspection. A statistical analysis of the data—a total of 20,104 twenty-ounce samples of canned or frozen cherries—indicates that present tolerances are unrealistic insofar as production capability is concerned and are in need of revision so as to provide a distinction between well-pitted cherries and those which are not well-pitted.

Another consideration for amending the standards at this time is the desirability of realigning the score points to provide a spread of 10 points within each grade instead of 15 points as in the current standards. This adjustment in itself would not affect the grade levels. It is proposed in the interest of uniformity between the Department's proc-

essed fruit and vegetable grade standards and in more accurate application.

The specific changes proposed would:

(1) Revise definitions of pit material to permit easier application of the proposed tolerances;

(2) Change the tolerances for pits in Grade A from one pit for each 20 ounces to an average of one pit for each 40 ounces, with limitations as to the pits permitted in any one sample unit;

(3) Realign the score points by allowing 10 points in each grade to conform to current practice in most other USDA grade standards for processed fruits and vegetables; and

(4) Score freedom from pits separately from other defects.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed revision should file the same with the Chief, Processed Products Standardization and Inspection Branch, Fruit and Vegetable Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington 25, D.C., within 30 days after publication in the FEDERAL REGISTER.

IDENTITY AND GRADES

- Sec.
52.771 Identity.
52.772 Grades of canned red tart pitted cherries.

LIQUID MEDIA, FILL OF CONTAINER, AND DRAINED WEIGHTS

- 52.773 Designations of liquid media and Brix measurements.
52.774 Recommended fill of container.
52.775 Recommended drained weight.

FACTORS OF QUALITY

- 52.776 Ascertaining the grade of a sample unit.
52.777 Ascertaining the rating for each factor which is scored.
52.778 Color.
52.779 Freedom from pits.
52.780 Freedom from defects.
52.781 Character.

LOT COMPLIANCE

- 52.782 Ascertaining the grade of a lot.

SCORE SHEET

- 52.783 Score sheet for canned red tart pitted cherries.

AUTHORITY: §§ 52.771 to 52.783 issued under secs. 202-208, 60 Stat. 1087, as amended; 7 U.S.C. 1621-1627.

IDENTITY AND GRADES

§ 52.771 Identity.

"Canned red tart pitted cherries" means the canned product prepared from mature pitted cherries of the red sour varietal group (*Prunus cerasus*), as such product is defined in the standard of identity for canned cherries (21 CFR 27.30), issued pursuant to the Federal Food, Drug, and Cosmetic Act.

§ 52.772 Grades of canned red tart pitted cherries.

(a) "U.S. Grade A" (or "U.S. Fancy") is the quality of canned red tart pitted

cherries that (1) possess a good color; (2) are practically free from pits; (3) are practically free from defects; (4) have a good character; (5) possess a normal flavor; and (6) score not less than 90 points when scored in accordance with the scoring system outlined in this subpart. Canned cherries of this grade may contain not more than 5 percent, by count, of cherries that are less than $\frac{1}{16}$ inch in diameter.

(b) "U.S. Grade C" (or "U.S. Standard") is the quality of canned red tart pitted cherries that (1) possess a fairly good color; (2) are fairly free from pits; (3) are fairly free from defects; (4) have a fairly good character; (5) possess a normal flavor; and (6) score not less than 80 points when scored in accordance with the scoring system outlined in this subpart. There is no size requirement for canned red tart pitted cherries of this grade.

(c) "Substandard" is the quality of canned red tart pitted cherries that fail to meet any requirement of "U.S. Grade C."

LIQUID MEDIA, FILL OF CONTAINER, AND DRAINED WEIGHTS

§ 52.773 Designations of liquid media and Brix measurements.

"Cut-out" requirements for packing media are not incorporated in the grades of the finished product since sirup or any other packing medium, as such, is not a factor of quality for the purpose of these grades. Canned red tart pitted cherries are packed in the optional packing media referred to in the aforesaid standard of identity for canned cherries and such packing media include, but are not limited to, the following, which have the indicated "cut-out" Brix measurement:

Designation of liquid media	Brix measurement
"Extra heavy sirup"-----	28° or more but less than 45°.
"Heavy sirup"-----	22° or more but less than 28°.
"Light sirup"-----	18° or more but less than 22°.
"Slightly sweetened water"---	Less than 18°.
"Water" (water or any mixture of water and cherry juice).	

§ 52.774 Recommended fill of container.

The recommended fill of container is not incorporated in the grades of the finished product since fill of container, as such, is not a factor of quality for the purpose of these grades. It is recommended that each container of canned red tart pitted cherries be filled as full as practicable without impairment of quality and that the product and packing medium occupy not less than 90 percent of the total capacity of the container.

¹ Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act or with applicable state laws and regulations.

§ 52.775 Recommended drained weight.

The drained weight recommendations in Table No. I of this subpart are not incorporated in the grades of the finished product since drained weight, as such, is not a factor of quality for the purpose of these grades. The drained weight of canned red tart pitted cherries is determined by emptying the contents of the container upon a circular sieve of proper diameter containing 8 meshes to the inch (0.097-inch square openings) and allowing to drain for two minutes. A sieve 8 inches in diameter is used for No. 3 size cans (404 x 414) and smaller, and a sieve 12 inches in diameter is used for containers larger than the No. 3 size can.

TABLE NO. I.—RECOMMENDED DRAINED WEIGHTS

Container size or designation	Overall dimensions		Packed in water	Packed in any sirup or "slightly sweetened water"
	Width	Height		
	Inches	Inches	Ounces	Ounces
No. 303.....	3 $\frac{3}{16}$	4 $\frac{1}{16}$	11.0	10.2
No. 303 cylinder.....	3 $\frac{3}{16}$	5 $\frac{1}{16}$	14.4	13.1
No. 2.....	3 $\frac{3}{16}$	4 $\frac{1}{16}$	13.5	12.7
No. 10.....	6 $\frac{3}{16}$	7	74.0	70.2

FACTORS OF QUALITY**§ 52.776 Ascertaining the grade of a sample unit.**

(a) *General.* The grade of a sample unit of canned red tart pitted cherries is ascertained by considering the flavor of the product and the requirement for size (in U.S. Grade A) which is not scored; the ratings for the factors of color, freedom from pits, freedom from defects, and character which are scored; the total score; and the limiting rules which may be applicable.

(b) *Factors rated by score points.* The relative importance of each factor is expressed numerically on the scale of 100. The maximum number of points that may be given each factor is:

Factors:	Points
Color.....	20
Freedom from pits.....	20
Freedom from defects.....	20
Character.....	40
Total score.....	100

(c) *Definition of normal flavor.* "Normal flavor" means that the flavor is characteristic of canned red tart pitted cherries and that the product is free from objectionable flavors of any kind.

§ 52.777 Ascertaining the rating for each factor which is scored.

The essential variations within each factor are so described that the value may be ascertained for each factor and expressed numerically. The numerical range for the rating of each factor is inclusive (for example, "18 to 20 points" means 18, 19, or 20 points).

§ 52.778 Color.

(a) *(A) classification.* Canned red tart pitted cherries that possess a good color may be given a score of 18 to 20 points. "Good color" means a practically uniform color that is bright and typical of canned red tart pitted cherries which have been properly prepared and

properly processed from properly ripened cherries.

(b) *(C) classification.* If the canned red tart pitted cherries possess a fairly good color a score of 16 or 17 points may be given. Canned red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). "Fairly good color" means a fairly uniform color, typical of canned red tart pitted cherries which have been properly prepared and properly processed and which color may range from a brownish cast to mottled shades of brown.

(c) *(SStd.) classification.* Canned red tart pitted cherries that fail to meet the requirements of paragraph (b) of this section may be given a score of 0 to 15 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.779 Freedom from pits.

(a) *General.* The factor of freedom from pits concerns the degree of freedom from pits and pit fragments.

(b) *Definitions.* (1) A "pit," for the purposes of the allowances in this section, is a whole cherry pit or any piece of hard pit material, except that any number of pieces of pit within or attached to a single cherry are considered as one pit; (2) "Drained cherries" means pitted cherries that have been drained of packing medium by the method prescribed in this subpart.

(c) *(A) classification.* Canned red tart pitted cherries that are practically free from pits may be given a score of 18 to 20 points. "Practically free from pits" means that the number of pits that may be present in the drained cherries does not exceed the allowances for this classification as set forth in Table No. II of this subpart.

(d) *(C) classification.* If the canned red tart pitted cherries are fairly free from pits a score of 16 or 17 points may be given. Canned red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). Canned red tart pitted cherries are "fairly free from defects" if the number of pits (as defined) does not exceed the allowances for this classification as set forth in Table II of this subpart.

(e) *(SStd.) classification.* Canned red tart pitted cherries that fail to meet the requirements of paragraph (d) of this section may be given a score of 0 to 15 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

TABLE NO. II.—MAXIMUM PITS PERMITTED

	In any 20 ounces of drained cherries used for this determination	In total sample used for this determination (accumulated sample units)
Grade A...	2 pits (as defined). This same allowance applies to any market container of less than 20 ounces of drained cherries.	1 pit (as defined) for each 40 ounces of drained cherries.
Grade C...	No limitation.....	1 pit (as defined) for each 20 ounces of drained cherries.

§ 52.780 Freedom from defects.

(a) *General.* The factor of freedom from defects refers to the degree of freedom from harmless extraneous material, mutilated cherries, and cherries blemished by scab, hail injury, discoloration, scar tissue, or by other means.

(1) "Cherry" means a whole cherry, whether or not pitted, or portions of such cherries which in the aggregate approximate the average size of the cherries.

(2) "Harmless extraneous material" means any vegetable substance (including, but not being limited to, a leaf or a stem, and any portions thereof) that is harmless.

(3) "Mutilated cherry" means a cherry that is so pitter-torn or damaged by other means that the entire pit cavity is exposed and the appearance of the cherry is seriously affected.

(4) "Blemished cherry" means any cherry the skin of which is blemished to the extent that the aggregate blemished area materially affects the appearance of the cherry. The term "blemished cherry" also means any cherry the flesh of which is materially discolored.

(5) "Seriously blemished" means any cherry blemished to the extent that the appearance or eating quality is seriously affected.

(b) *(A) classification.* Canned red tart pitted cherries that are practically free from defects may be given a score of 18 to 20 points. "Practically free from defects" means that there may be present (1) not more than 1 piece of harmless extraneous material for each 60 ounces of net contents; (2) not more than a total of 10 percent, by count, of the cherries are mutilated cherries, blemished cherries, and seriously blemished cherries; and (3) not more than 4 percent, by count, of all the cherries are seriously blemished.

(c) *(C) classification.* If the canned red tart pitted cherries are fairly free from defects, a score of 16 or 17 points may be given. Canned red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). "Fairly free from defects" means that there may be present (1) not more than 1 piece of harmless extraneous material for each 20 ounces of net contents; and (2) not more than a total of 20 percent, by count, of cherries that are mutilated cherries and blemished cherries of which not more than 15 percent, by count, of all cherries are blemished and/or seriously blemished.

(d) *(SStd.) classification.* Canned red tart pitted cherries that fail to meet the requirements of paragraph (c) of this section for any reason may be given a score of 0 to 15 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.781 Character.

(a) *General.* The factor of character refers to the degree of ripeness and the physical characteristics of the flesh of the cherries.

(b) *(A) classification.* Canned red tart pitted cherries that have a good character may be given a score of 36 to

40 points. "Good character" means a firm, fleshy texture, typical of canned red tart pitted cherries which have been properly prepared and properly processed from properly ripened cherries.

(c) (C) *classification*. If the canned red tart pitted cherries have a fairly good character, a score of 32 to 35 points may be given. Canned red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). "Fairly good character" means a fairly firm or fairly fleshy texture but not soft, tough, very thin-fleshed, or leathery.

(d) (SStd.) *classification*. Canned red tart pitted cherries that fail to meet the requirements of paragraph (c) of this section may be given a score of 0 to 31 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

LOT COMPLIANCE

§ 52.782 Ascertaining the grade of a lot.

The grade of a lot of canned red tart pitted cherries covered by these standards is determined by the procedures set forth in the Regulations Governing Inspection and Certification of Processed Fruits and Vegetables, Processed Products Thereof, and Certain Other Processed Food Products (§§ 52.1 to 52.87).

SCORE SHEET

§ 52.783 Score sheet for canned red tart pitted cherries.

Size and kind of container.....	-----
Container mark or identification.....	-----
Label.....	-----
Net weight (ounces).....	-----
Vacuum (inches).....	-----
Drained weight (ounces).....	-----
Sirup designation (extra heavy, heavy, etc.).....	-----
Brix measurement.....	-----
Size ²	-----
Factors	Score points
Color.....	20 (A) 18-20 (C) 16-17 (SStd.) 10-15
Freedom from pits.....	20 (A) 18-20 (C) 16-17 (SStd.) 10-15
Freedom from defects.....	20 (A) 18-20 (C) 16-17 (SStd.) 10-15
Character.....	40 (A) 36-40 (C) 32-35 (SStd.) 10-31
Total score.....	100
Normal flavor.....	-----
Grade.....	-----

¹ Indicates limiting rule.

² See size limitation for U.S. Grade A or U.S. Fancy only.

Dated: May 7, 1963.

G. R. GRANGE,
Deputy Administrator,
Market Services.

[F.R. Doc. 63-5056; Filed, May 9, 1963;
8:50 a.m.]

[7 CFR Part 52]

FROZEN RED TART PITTED CHERRIES

U.S. Standards for Grades¹

Notice is hereby given that the U.S. Department of Agriculture is considering revising the United States Standards for Grades of Frozen Red Tart Pitted Cherries (7 CFR 52.801-52.809) pursuant to the authority contained in the Agricultural Marketing Act of 1946 (Secs. 202-208, 60 Stat. 1087, as amended; 7 U.S.C. 1621-1627).

Statement of considerations leading to the proposed revision. The United States Standards for Grades of Frozen Red Tart Pitted Cherries, first promulgated on July 15, 1942, were last revised on June 18, 1949. These standards have been useful in packing and marketing frozen red tart pitted cherries since they were first issued. The great majority of the total pack of frozen red tart pitted cherries in the United States is inspected and certified each year by U.S. Department of Agriculture inspectors of the Agricultural Marketing Service. Many sales transactions are made on the basis of these standards and supported by United States Department of Agriculture inspection certificates. Since the standards were last revised, however, there have been recurring objections by buyers, particularly by bakers and preservers, regarding the number of pits permitted in the grades, as provided by the standards. Under the current standards, the pit tolerance is the same for each grade classification, A and C grades. As a result of complaints on pits, many buyers specify a lesser number of pits in their purchase contracts, than are permitted by the standards.

The Department, in giving consideration to a revision of the standards to reduce the pit tolerance, conducted studies during the 1961 and 1962 packing seasons to determine the number and frequency of occurrence of pits in frozen red tart pitted cherries. The studies were designed to develop data that would show whether or not it would be feasible to reduce the pit tolerance.

The studies were national in scope. The producing industry cooperated in the studies. Extensive data was supplied by firms not under any type of USDA in-plant inspection as well as plants under such inspection. A statistical analysis of the data—a total of 20,104 twenty-ounce samples of frozen or canned cherries—indicates that present tolerances are unrealistic insofar as production capability is concerned and are in need of revision so as to provide distinction between well-pitted cherries and those which are not well-pitted.

Another consideration for revising the standards at this time is the desirability

¹ Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act of with applicable state laws and regulations.

of realigning the score points to provide a spread of 10 points within each grade instead of 15 points as in the current standards. This change would not affect the grade levels. It is proposed in the interest of uniformity between U.S. processed fruit and vegetable grade standards and in more accurate application.

The specific changes proposed are:

(1) Revise definitions of pit material to permit easier application of the proposed tolerances;

(2) Change the tolerances for pits in Grade A from one pit for each 20 ounces to an average of one pit for each 40 ounces with a limitation as to the pits permitted in any one sample unit;

(3) Realign the score points by allowing 10 points in each grade to conform to current practice in most other U.S. grade-standards for processed fruits and vegetables; and

(4) Score freedom from pits separately from other defects.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposed revision should file the same with the Chief, Processed Products Standardization and Inspection Branch, Fruit and Vegetable Division, Agricultural Marketing Service, U.S. Department of Agriculture, Washington 25, D.C., within 30 days after publication in the FEDERAL REGISTER.

The proposed revision is as follows:

PRODUCT DESCRIPTION AND GRADES

Sec.	
52.801	Product description.
52.802	Grades of frozen red tart pitted cherries.

FACTORS OF QUALITY

52.803	Ascertaining the grade of a sample unit.
52.804	Ascertaining the rating for each factor.
52.805	Color.
52.806	Freedom from pits.
52.807	Freedom from defects.
52.808	Character.

LOT COMPLIANCE

52.809	Ascertaining the grade of a lot.
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SCORE SHEET

52.810	Score sheet for frozen red tart pitted cherries.
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AUTHORITY: §§ 52.801 to 52.810 issued under secs. 202-208, 60 Stat. 1087, as amended; 7 U.S.C. 1621-1627.

PRODUCT DESCRIPTION AND GRADES

§ 52.801 Product description.

Frozen red tart pitted cherries are prepared from properly ripened fruit of the cherry tree of the red sour varietal group (*Prunus cerasus*); are washed, pitted, and sorted; are properly drained before filling; may be packed with or without packing media; and are frozen and stored at temperatures necessary for the preservation of the product.

§ 52.802 Grades of frozen red tart pitted cherries.

(a) "U.S. Grade A" (or "U.S. Fancy") is the quality of frozen red tart pitted cherries that (1) possess a good red color; (2) are practically free from pits; (3) are practically free from defects; (4) have a good character; (5) possess a normal flavor; and (6) score not less than 90 points when scored in accordance with the scoring system outlined in this subpart. Pitted cherries of this grade may contain not more than 5 percent, by count, of cherries that are less than $\frac{1}{16}$ inch in diameter.

(b) "U.S. Grade C" (or "U.S. Standard") is the quality of frozen red tart pitted cherries that (1) possess a reasonably good red color; (2) are fairly free from pits; (3) are fairly free from defects; (4) have a fairly good character; (5) possess a normal flavor; and (6) score not less than 80 points when scored in accordance with the scoring system outlined in this subpart. There is no size requirement for cherries of this grade.

(c) "Substandard" is the quality of frozen red tart pitted cherries that fail to meet the requirements of U.S. Grade C.

FACTORS OF QUALITY

§ 52.803 Ascertaining the grade of a sample unit.

(a) The grade of frozen red tart pitted cherries is determined immediately after thawing to the extent that the cherries may be separated easily and the cherries are free from ice and solidified packing media. The grade is determined by considering in addition to the requirements of the respective grade (including the requirement for size in U.S. Grade A) the respective ratings of the factors of color, pits, absence of defects, the total score, and the limiting rules which may be applicable.

(b) The relative importance of each factor is expressed numerically on a scale of 100. The maximum number of points that may be given each factor is:

Factors:	Points
Color	30
Freedom from pits	20
Freedom from defects	20
Character	30
Total score	100

(c) "Normal flavor" means that the flavor is characteristic of frozen red tart pitted cherries and that the product is free from objectionable flavors of any kind.

§ 52.804 Ascertaining the rating for each factor.

The essential variations within each factor are so described that the value may be ascertained for each factor and expressed numerically. The numerical range for the rating of each factor is inclusive (for example, "18 to 20 points" means 18, 19, or 20 points).

§ 52.805 Color.

(a) (A) classification. Frozen red tart pitted cherries that possess a good red color may be given a score of 27 to 30 points. "Good red color" means that the frozen cherries possess a color that is

bright and typical of properly ripened cherries and that is reasonably uniform in that not more than 15 percent, by count, of cherries vary markedly from this color because of discoloration due to oxidation, improper processing, or other causes, or because of undercolored cherries.

(b) (C) classification. If the frozen red tart pitted cherries possess a reasonably good red color, a score of 24 to 26 points may be given. Frozen red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). "Reasonably good red color," means that the frozen cherries possess a color that is reasonably bright and typical of properly ripened cherries and that is fairly uniform in that not more than 25 percent, by count, of cherries vary markedly from this color because of discoloration due to oxidation, improper processing, or other causes, or because of undercolored cherries.

(c) (SStd.) classification. Frozen red tart pitted cherries that fail to meet the requirements of paragraph (b) of this section may be given a score of 0 to 23 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.806 Freedom from pits.

(a) General. The factor of freedom from pits concerns the degree of freedom from pits and pit fragments.

(b) Definitions.

(1) A "pit" for the purpose of the allowances in this subpart is a whole pit or any piece of hard pit material, except that any number of pieces of pit within or attached to a single cherry are considered as one pit.

(2) "Drained cherries" means pitted cherries that are substantially free from any adhering sirup, sugar or other packing medium.

(c) (A) classification. Frozen red tart pitted cherries that are practically free from pits may be given a score of 18 to 20 points. "Practically free from pits" means that the number of pits that may be present in the drained cherries does not exceed the allowances for this classification as set forth in Table I of this section.

(d) (C) classification. If the frozen red tart pitted cherries are fairly free from pits a score of 16 or 17 may be given. Frozen red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). "Fairly free from pits" means that the number of pits that may be present in the drained cherries does not exceed the allowances for this classification as set forth in table I of this section.

(e) (SStd.) classification. Frozen red tart pitted cherries that fail to meet the requirement of paragraph (d) of this section may be given a score of 0 to 15 points and shall not be graded above Substandard, regardless of the total score of the product (this is a limiting rule).

TABLE No. I—MAXIMUM PITS PERMITTED

	In any 20 ounces of drained cherries used for this determination	In total sample used for this determination (accumulated sample units)
Grade A ..	2 pits (as defined). This same allowance applies to any market container of less than 20 ounces of drained cherries.	1 pit (as defined) for each 40 ounces of drained cherries.
Grade C ..	No limitation	1 pit (as defined) for each 20 ounces of drained cherries.

§ 52.807 Freedom from defects.

(a) General. The factor of freedom from defects refers to the degree of freedom from harmless extraneous material, mutilated cherries, and cherries blemished by scab, hail injury, discoloration, scar tissue, or by other means.

(1) "Cherry" means a whole cherry, whether or not pitted, or portions of such cherries which in the aggregate approximate the average size of the cherries.

(2) "Harmless extraneous material" means any vegetable substance (including, but not being limited to, a leaf or a stem and any portions thereof) that is harmless.

(3) "Mutilated cherry" means a cherry that is so pitter-torn or damaged by other means that the entire pit cavity is exposed and the appearance of the cherry is seriously affected.

(4) "Blemished cherry" means any cherry the skin of which is blemished to the extent that the aggregate area covered by the blemishes exceeds the area of a circle $\frac{1}{32}$ inch in diameter and the appearance of the cherry is materially affected by such blemishes. The term "blemished cherry" also means any cherry the flesh of which is materially discolored.

(5) "Seriously blemished" means any cherry blemished to the extent that the appearance or eating quality is seriously affected.

(b) (A) classification. Frozen red tart pitted cherries that are practically free from defects may be given a score of 18 to 20 points. "Practically free from defects" means that there may be present (1) not more than 1 piece of harmless extraneous material for each 60 ounces of net contents; (2) not more than a total of 10 percent, by count, of the cherries are mutilated cherries, blemished cherries, and seriously blemished cherries; and (3) not more than 4 percent, by count, of all the cherries are seriously blemished.

(c) (C) classification. If the frozen red tart pitted cherries are fairly free from defects, a score of 16 or 17 points may be given. Frozen red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). "Fairly free from defects" means that there may be present (1) not more than 1 piece of harmless extraneous material for each 20-ounces of net contents; and (2) not more than a total of 20 percent, by count, of cherries that are mutilated cherries and blemished cherries of which not more than 15 percent, by count, of all

cherries are blemished and/or seriously blemished.

(d) (SStd.) classification. Frozen red tart pitted cherries that fail to meet the requirements of paragraph (c) of this section for any reason may be given a score of 0 to 15 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

§ 52.808 Character.

(a) General. The factor of character refers to the degree of ripeness of the cherries and the physical characteristics of the flesh of the cherries.

(b) (A) classification. Frozen red tart pitted cherries that have a good character may be given a score of 27 to 30 points. "Good character" means a firm, fleshy texture, typical of frozen red tart pitted cherries which have been properly prepared and properly processed from properly ripened cherries.

(c) (C) classification. If the frozen red tart pitted cherries have a fairly good character, a score of 24 to 26 points may be given. Frozen red tart pitted cherries that fall into this classification shall not be graded above U.S. Grade C, regardless of the total score for the product (this is a limiting rule). "Fairly good character" means that the cherries are fairly firm, fairly fleshy texture but are not soft, tough, very thin-fleshed, or leathery in character.

(d) (SStd.) classification. Frozen red tart pitted cherries that fail to meet the requirements of paragraph (c) of this section may be given a score of 0 to 23 points and shall not be graded above Substandard, regardless of the total score for the product (this is a limiting rule).

LOT COMPLIANCE

§ 52.809 Ascertaining the grade of a lot.

The grade of a lot of frozen red tart pitted cherries covered by these standards is determined by the procedures set forth in the Regulations Governing Inspection and Certification of Processed Fruits and Vegetables, Processed Products Thereof, and Certain Other Processed Food Products (§§ 52.1 through 52.87).

SCORE SHEET

§ 52.810 Score sheet for frozen red tart pitted cherries.

Size and kind of container.....		
Container mark or identification.....		
Label (Style of pack, Ratio of fruit to sugar, etc., if shown).....		
Net weight (ounces).....		
Size ¹		
Factors	Score points	
Color.....	30	{(A) 27-30 (C) 24-26 (SStd.) 0-23
Freedom from pits.....	20	{(A) 18-20 (C) 16-17 (SStd.) 0-15
Freedom from defects.....	20	{(A) 18-20 (C) 16-17 (SStd.) 0-15
Character.....	30	{(A) 27-30 (C) 24-26 (SStd.) 0-23
Total score.....	100	
Normal flavor.....		
Grade.....		

¹ See size limitation for U.S. Grade A, only.

² Indicates limiting rule.

Dated: May 7, 1963.

G. R. GRANGE,
Deputy Administrator,
Marketing Services.

[F.R. Doc. 63-5057; Filed, May 9, 1963;
8:50 a.m.]

CIVIL AERONAUTICS BOARD

[14 CFR Part 224]

[Docket 14418]

ACCESS TO AIRCRAFT FOR SAFETY PURPOSES; FREE TRANSPORTATION FOR CERTAIN FAA AND WEATHER BUREAU EMPLOYEES

Free Transportation for Additional FAA Employees

MAY 7, 1963.

The Board in 28 F.R. 3421 and by circulation of a Notice of Proposed Rule Making, EDR-53, dated April 3, 1963, gave notice that it had under consideration a proposed amendment to Part 224 of the Board's Economic Regulations, 14 CFR Part 224, which would authorize air carriers to provide free transportation to certain additional FAA employees.

Requests have been received that the time for filing comments be extended an additional 60 days in order to permit air carriers to complete and make available to the Board a study and evaluation of air carrier experience under existing Part 224. It appears to the undersigned that good cause has been shown for extending the time for filing comments on this proposal and an extension for an additional 45 days will be granted.

Accordingly, pursuant to authority delegated under Section 7.3C of Public Notice PN-15, the undersigned hereby extends the date for submitting comments on the proposal to amend Part 224 until June 20, 1963. All relevant matter in communications received on or before this date will be considered by the Board before taking final action on this proposal. Copies of such communications will be available for examination by interested persons in the Docket Section of the Board, Room 711, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., upon receipt thereof.

[SEAL] ARTHUR H. SIMMS,
Associate General Counsel,
Rules and Special Counsel Division.

[F.R. Doc. 63-5045; Filed, May 9, 1963;
8:49 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 71 [New]]

[Airspace Docket No. 63-EA-25]

FEDERAL AIRWAYS AND ASSOCIATED CONTROL AREAS

Proposed Revocation

Green Federal airway No. 2 extends from Detroit, Mich., to Dunkirk, N.Y., excluding the portion within Canada.

Amber Federal airway No. 6 extends from Parkman, Ohio, to Clear Creek, Ontario, Canada, excluding the portion within Canada. The Federal Aviation Agency is considering the revocation of the United States portions of Green 2 and Amber 6. It is the policy of this Agency to revoke L/MF airways wherever adequate VOR airways are available, and it appears that the route from Detroit to Dunkirk is adequately served by VOR Federal airways Nos. 90, 98, and 2. It also appears that the route from Parkman to Clear Creek is adequately served by VOR Federal airways Nos. 443, 5, 98, 37, and 14. Therefore, it appears that the retention of these airway segments are unjustified as assignments of airspace. Accordingly, the Federal Aviation Agency proposes to revoke the United States portion of Green 2 and its associated control areas from Detroit to Dunkirk, and the United States portion of Amber 6 and its associated control areas from Parkman to Clear Creek. Adoption of these proposals would not result in discontinuance of the United States low frequency navigational aids associated with these airway segments. Any proposals to discontinue one or more of these aids would be processed in accordance with current Agency procedures.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Assistant Administrator, Eastern Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, Federal Building, New York International Airport, Jamaica 30, N.Y. All communications received within thirty days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room A-103, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5013; Filed, May 9, 1963;
8:45 a.m.]

[14 CFR Part 71 [New]]

[Airspace Docket No. 63-CE-34]

CONTROL ZONE AND TRANSITION AREA**Proposed Alteration**

Notice is hereby given that the Federal Aviation Agency is considering amendments to Part 71 [New] of the Federal Aviation Regulations, the substance of which is stated below.

The following controlled airspace is presently designated in the Cut Bank, Mont., terminal area:

1. The Cut Bank control zone is designated within a 5-mile radius of Cut Bank Airport; within 2 miles either side of the Cut Bank VOR 151° True radial extending from the 5-mile radius zone to 12 miles southeast of the VOR and within 2 miles either side of the 150° True bearing from the Cut Bank radio beacon extending from the 5-mile radius zone to 12 miles southwest of the radio beacon.

2. The Cut Bank transition area is designated as that airspace extending upward from 1,200 feet above the surface within 10 miles northeast and 7 miles southwest of the Cut Bank VOR 151° and 331° True radials, extending from 9 miles northwest to 20 miles southeast of the VOR, excluding the airspace within Federal airways.

To complete the implementation of CAR Amendment 60-21/60-29 in the Cut Bank terminal area, the Federal Aviation Agency has under consideration the following airspace actions:

1. Alter the Cut Bank control zone by redesignating it to comprise that airspace within a 5-mile radius of Cut Bank Airport (latitude 48°36'41" N., longitude 112°22'45" W.); within 2 miles each side of the Cut Bank VOR 150° True radial, extending from the 5-mile radius zone to 12 miles southeast of the VOR; and within 2 mile each side of the 168° True bearing from the Cut Bank radio beacon, extending from the 5-mile radius zone to 12 miles south of the radio beacon.

2. Alter the Cut Bank transition area by redesignating it to comprise that airspace extending upward from 700 feet above the surface within a 9-mile radius of Cut Bank Airport (latitude 48°36'41" N., longitude 112°22'45" W.); and that airspace extending upward from 1,200 feet above the surface within a 30-mile radius of the Cut Bank VOR, extending from the 9-mile radius area clockwise from a line 5 miles north of and parallel to the Cut Bank VOR 095° True radial to the west boundary of V-21 west alternate.

The floor of the airways that traverse the transition area proposed herein would automatically coincide with the floor of the transition area.

The actions proposed herein would, in part, realign the Cut Bank control zone south and southeast extensions to coincide with the final approach courses specified by the prescribed instrument approach procedures. The portion of the Cut Bank transition area with a 700-foot floor would provide additional airspace required for the protection of aircraft executing prescribed instrument

approach and departure procedures at the Cut Bank Airport. The proposed alteration of the Cut Bank transition area beyond the 9-mile radius area would extend the existing boundaries of the transition area to encompass the additional controlled airspace required for the protection of aircraft executing prescribed instrument holding, jet penetration, approach and departure procedures within the Cut Bank terminal area. Certain minor revisions to prescribed instrument procedures would accompany the actions proposed herein, but operational complexities would not be increased nor would aircraft performance characteristics or established landing minimums be adversely affected.

Specific details of the changes to procedures and minimum instrument flight rules altitudes that would be required may be examined by contacting the Chief, Airspace Utilization Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Assistant Administrator, Central Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The Official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room A-103, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5014; Filed, May 9, 1963; 8:46 a.m.]

[14 CFR Part 71 [New]]

[Airspace Docket No. 62-WA-72]

FEDERAL AIRWAYS**Proposed Alteration**

Pursuant to the authority delegated to me by the Administrator (14 CFR

11.65) and in consonance with ICAO International Standards and Recommended Practices, notice is hereby given that the Federal Aviation Agency is considering amendments to Part 71 [New] of the Federal Aviation Regulations. These proposals relate to navigable airspace both within and outside the United States. The substance of these proposals is stated below.

Applicability of International Standards and Recommended Practices, by the Air Traffic Service, FAA, in areas outside domestic airspace of the U.S. is governed by Article 12 and Annex 11 to the Convention on International Civil Aviation (ICAO), which pertains to the establishment of air navigation facilities and services necessary to promoting safe, orderly and expeditious flow of civil air traffic. Its purpose is to insure that civil flying on International air routes is carried out under uniform conditions designed to improve the safety and efficiency of air operations. The International Standards and Recommended Practices in Annex 11 apply in those parts of the airspace under the jurisdiction of the contracting state, derived from ICAO, wherein air traffic services are provided and also whenever a contracting state accepts the responsibility of providing air traffic services over high seas or in airspace of undetermined sovereignty. A contracting state accepting such responsibility may apply the International Standards and Recommended Practices to civil aircraft in a manner consistent with that adopted for airspace under its domestic jurisdiction.

In accordance with Article 3 of the Convention on International Civil Aviation, Chicago, 1944, state aircraft are exempt from the provisions of Annex 11 and its Standards and Recommended Practices. As a contracting state the U.S. agreed by Article 3.D that its state aircraft will be operated in International airspace with due regard for the safety of civil aircraft.

Since this action involves in part the alteration of navigable airspace outside the United States, the Administrator has consulted with the Secretary of State and the Secretary of Defense in accordance with the provisions of Executive Order 10854.

The Federal Aviation Agency is considering the following airspace actions:

Low altitude airway V-97 extends in part from St. Petersburg, Fla., VOR to the Tallahassee, Fla., VOR including an east alternate from the intersection of the St. Petersburg VORTAC 335° and the Cross City, Fla., 207° True radials (Scallop Intersection) to the Tallahassee VORTAC via the Cross City VOR, and the intersection of the Cross City VOR 316° and the Tallahassee VORTAC 132° True radials and also a west alternate from the St. Petersburg VORTAC to the Intersection of the St. Petersburg VORTAC 335° and the Cross City VOR 207° True radials via the intersection of the St. Petersburg VORTAC 320° and the Cross City VOR 207° True radials (Mussell Intersection), excluding the portion below 2,000 feet MSL outside the United States. Low altitude airway V-35 extends in part from St. Petersburg VOR

to the Cross City VOR including an east alternate from the intersection of the St. Petersburg VOR 151° True radial and the Tampa, Fla., International Airport ILS localizer south course to the Cross City VOR via the Tampa International Airport ILS localizer, the intersection of the Tampa International Airport ILS localizer north course and the Gainesville, Fla., VOR 189° True radial, the Gainesville VOR and also a west alternate from the St. Petersburg VORTAC to the Cross City VOR via the intersection of the St. Petersburg VORTAC 320° and the Cross City VOR 185° True radials, excluding the portion below 2,000 feet MSL outside of the United States. The FAA proposes to redesignate V-97 west alternate from the St. Petersburg VORTAC to the intersection of the St. Petersburg VORTAC 335° and the Cross City VOR 201° True radials (relocated Scallop Intersection) via the intersection of the St. Petersburg VORTAC 316° and the Cross City VOR 201° True radials (relocated Mussell Intersection); and to redesignate V-97 east alternate from the relocated Scallop Intersection to the Cross City VOR via the Cross City VOR 201° True radial in lieu of the 207° True radial. V-35 west alternate would be redesignated from the St. Petersburg VORTAC to the Cross City VOR via the St. Petersburg VORTAC 316° and the Cross City VOR 185° True radials. The airspace below 2,000 feet MSL outside the United States is excluded from V-35 west alternate and V-97 east and west alternate.

Adoption of the proposals presented herein would not cause any major change to the airway structure northwest of St. Petersburg. The main impact of the proposal would be in the relocation of the Mussell Intersection to the southwest of its present site to permit aircraft to exercise holding pattern procedures at the intersection and within presently designated controlled airspace.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Assistant Administrator, Southern Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, P.O. Box 20636, Atlanta 20, Georgia. All communications received within thirty days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room A-103, 1711 New York

Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under sections 307(a), and 1110, 72 Stat. 749 and 800; 49 U.S.C. 1348 and 1510, and Executive Order 10854, 24 F.R. 9565.

Issued in Washington, D.C., on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5015; Filed, May 9, 1963;
8:46 a.m.]

[14 CFR Part 71 [New]]

[Airspace Docket No. 63-CE-32]

CONTROL ZONE AND TRANSITION AREA

Proposed Alteration

Notice is hereby given that the Federal Aviation Agency is considering amendments to Part 71 [New] of the Federal Aviation Regulations, the substance of which is stated below.

The following controlled airspace is presently designated in the Miles City, Mont., terminal area:

1. The Miles City control zone is designated within a 5-mile radius of Miles City Airport; within 2 miles either side of the 254° True bearing from the Miles City radio beacon extending from the 5-mile radius zone to 8 miles southwest of the radio beacon; and within 2 miles either side of the Miles City VORTAC 225° True radial extending from the 5-mile radius zone to 12 miles southwest of the VORTAC.

2. The Miles City transition area is designated as that airspace extending upward from 1,200 feet above the surface within a 20-mile radius of the Miles City VORTAC, extending clockwise from the 254° to the 156° True radials; within a 35-mile radius of the Miles City VORTAC, extending clockwise from the 156° to the 236° True radials, and within a 40-mile radius of the Miles City VORTAC, extending from the 236° to the 254° True radials.

To complete the implementation of CAR Amendments 60-21/60-29 in the Miles City terminal area, the Federal Aviation Agency has under consideration the following airspace actions:

1. Alter the Miles City control zone by redesignating it to comprise that airspace within a 5-mile radius of Miles City Airport (latitude 46°25'40" N., longitude 105°53'10" W.); within 2 miles each side of the 251° True bearing from the Miles City radio beacon, extending from the 5-mile radius zone to 8 miles southwest of the radio beacon, and within 2 miles each side of the Miles City VORTAC 226° True radial, extending from the 5-mile radius zone to 12 miles southwest of the VORTAC.

2. Alter the Miles City transition area by redesignating it to comprise that airspace extending upward from 700 feet above the surface within a 7-mile radius of Miles City Airport (latitude 46°25'40" N., longitude 105°53'10" W.); and that airspace extending upward from 1,200 feet above the surface within a 23-mile

radius of the Miles City VORTAC extending clockwise from the Miles City VORTAC 241° to the 156° True radials, and within a 30-mile radius of the Miles City VORTAC extending clockwise from the Miles City VORTAC 156° to the 241° True radials.

The floors of the airways that traverse the transition area proposed herein would automatically coincide with the floor of the transition area.

The actions taken herein would, in part, realign the Miles City control zone west and southwest extensions to coincide with the final approach courses specified by the prescribed instrument approach procedures. The proposed alteration of the Miles City transition area would result in a 3-mile expansion in radius of the present 1,200-foot floor transition area extending from the Miles City VORTAC 254° True radial clockwise to the 156° True radial, and the balance of the circular area would be reduced from 35 miles and 40 miles, in radius, to 30 miles. The portion of the transition area to be expanded would provide additional controlled airspace for the protection of aircraft executing prescribed instrument holding, approach, departure and jet penetration procedures within the Miles City terminal area. The portion of the existing transition area to be eliminated would no longer be required for air traffic control purposes. Certain minor revisions to prescribed instrument procedures would accompany the actions proposed herein, but operational complexities would not be increased nor would aircraft performance characteristics or established landing minimums be adversely affected.

Specific details of the changes to procedures and minimum instrument flight rules altitudes that would be required may be examined by contacting the Chief, Airspace Utilization Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Assistant Administrator, Central Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room A-103, 1711 New York

Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5016; Filed, May 9, 1963;
8:46 a.m.]

[14 CFR Part 71 [New]]

[Airspace Docket No. 63-CE-24]

CONTROLLED AIRSPACE

Alteration of Control Zone, Designation of Transition Area and Revocation of Control Area Extension

Notice is hereby given that the Federal Aviation Agency is considering amendments to Part 71 [New] of the Federal Aviation Regulations, the substance of which is stated below.

The Aberdeen, S. Dak., control zone is presently designated within a 5-mile radius of Aberdeen Municipal Airport (Lat. 45°27'10" N, Long. 98°25'35" W); within 2 miles either side of the Aberdeen radio range south course extending from the 5-mile radius zone to 12 miles south of the radio range, and within 2 miles either side of the Aberdeen VOR 131° True radial extending from the 5-mile radius zone to 12 miles southeast of the VOR. The Aberdeen control area extension is presently designated within a 15-mile radius of the Aberdeen VOR.

To implement the provisions of CAR Amendments 60-21/60-29 in the Aberdeen terminal area, the Federal Aviation Agency has under consideration the following airspace actions:

1. Redesignate the Aberdeen control zone to comprise that airspace within a 5-mile radius of Aberdeen Municipal Airport (latitude 45°27'10" N., longitude 98°25'35" W.), within 2 miles each side of the Aberdeen VOR 131° True radial extending from the 5-mile radius zone to 8 miles southeast of the VOR, and

within 2 miles each side of the Aberdeen radio range south course extending from the 5-mile radius zone to 8 miles south of the radio range.

2. Designate a transition area at Aberdeen to comprise that airspace extending upward from 700 feet above the surface within 8 miles northeast and 5 miles southwest of the Aberdeen VOR 131° and 311° True radials, extending from 13 miles southeast to 5 miles northwest of the VOR; and that airspace extending upward from 1,200 feet above the surface within 4 miles east and 7 miles west of the Aberdeen VOR 175° and 355° True radials, extending from 13 miles south to 1 mile north of the VOR.

3. Revoke the Aberdeen control area extension.

The floor of the airways that traverses the transition area proposed herein would automatically coincide with the floor of the transition area.

The proposed alteration of the Aberdeen control zone would reduce the length of the existing control zone extensions designated at the Aberdeen Municipal Airport from 12 to 8 miles. The portion of the proposed Aberdeen transition area with a floor of 700 feet above the surface would provide the airspace required to protect the higher altitude portion of the prescribed Aberdeen VOR instrument approach procedure and the prescribed VOR holding pattern procedure. The portion of the proposed transition area with a floor of 1,200 feet above the surface would provide the airspace to protect the prescribed Aberdeen radio range instrument holding pattern procedure. The proposed revocation of the Aberdeen control area extension and the proposed designation of a transition area at Aberdeen would reduce the lateral extent of controlled airspace presently designated in the area and raise the floor of controlled airspace from 700 to 1,200 feet above the surface beyond the immediate vicinity of the Aberdeen Municipal Airport. The controlled airspace released by the actions proposed herein would become available for other aeronautical purposes.

Certain minor revisions to prescribed instrument procedures would accompany the actions proposed herein, but operational complexities would not be in-

creased nor would aircraft performance characteristics be adversely affected. Specific details of the changes to procedures and minimum flight rules altitudes that would be required may be examined by contacting the Chief, Airspace Utilization Branch, Air Traffic Division, Central Region, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Assistant Administrator, Central Region, Attn: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City 10, Mo. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room A-103, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Division Chief.

This amendment is proposed under section 307(a) of the Federal Aviation Act of 1958 (72 Stat. 749; 49 U.S.C. 1348).

Issued in Washington, D.C., on May 3, 1963.

CLIFFORD P. BURTON,
Chief, Airspace Utilization Division.

[F.R. Doc. 63-5017; Filed, May 9, 1963;
8:46 a.m.]

Notices

DEPARTMENT OF STATE

Agency for International Development

[Delegation of Authority No. 28]

PERSONAL FOREIGN EXCESS PROPERTY

Delegation of Authority

Pursuant to the authority vested in me by Delegation of Authority No. 104 from the Secretary of State dated November 3, 1961 (26 F.R. 10608), I hereby delegate to each A.I.D. Mission Director and A.I.D. Representative the authority to make the determination required under section 607 of the Foreign Assistance Act of 1961, as amended, to permit the furnishing of foreign excess personal property and related services in accordance with the provisions of section 607 of the Foreign Assistance Act of 1961, as amended. Such authority shall be exercised only with respect to foreign excess personal property located in the country for which the person making the determination is the A.I.D. Mission Director or A.I.D. Representative and only with respect to such transfers of property as have been approved by A.I.D./W in accordance with regulations, procedures and policies now or hereafter established or modified and promulgated by A.I.D.

Any determinations or transfers of foreign excess personal property effected pursuant to Redelegation of Authority No. 7 dated December 29, 1961, prior to the receipt of notification of this Delegation of Authority by the A.I.D. Mission Director or A.I.D. Representative shall be continued in effect according to the terms thereof.

This Delegation of Authority revokes Redelegation of Authority No. 7 from the Administrator of A.I.D. dated December 29, 1961 (27 F.R. 478).

This Delegation of Authority shall become effective immediately.

Dated: May 2, 1963.

DAVID E. BELL,
Administrator.

[F.R. Doc. 63-5028; Filed, May 9, 1963;
8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

CERTAIN COMMODITIES

May 1963 Monthly Sales List

Notice to buyers. Pursuant to the policy of Commodity Credit Corporation issued October 12, 1954 (19 F.R. 6669), and subject to the conditions stated therein as well as herein, the commodities listed below are available for sale and, where noted, for redemption of

payment-in-kind certificates on the price basis set forth.

These prices at which Commodity Credit Corporation commodity holdings are available for sale during May 1963 were announced today by the U.S. Department of Agriculture. The following commodities are available: Butter, cheddar cheese, nonfat dry milk, cotton (upland and extra long staple), wheat, corn, oats, barley, rye, grain sorghum, flax, soybeans, dry edible beans, peanuts (farmers' stock), and gum turpentine.

The CCC Monthly Sales List, which varies from month to month as additional commodities become available or commodities formerly available are dropped, is designed to aid in moving CCC's inventories into domestic or export use through regular commercial channels.

Dry edible beans have been added to the list for May.

If it becomes necessary during the month to amend this list in any material way—such as by the removal or addition of a commodity in which there is general interest or by a significant change in price or method of sale—an announcement of the change will be sent to all persons currently receiving the list by mail from Washington. To be put on this mailing list, address: Director, Procurement and Sales Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington 25, D.C.

All commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks, are available for export sale under the CCC Export Credit Sales Program. The following commodities are currently available for barter: Nonfat dry milk, butter, cheddar cheese, cotton, tobacco, wheat, corn, rye, barley, and grain sorghums. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales Program for May 1963 are 3½ percent for periods up to 12 months, and 4 percent for periods from over 12 months up to a maximum of 36 months.

The CCC will entertain offers from responsible buyers for the purchase of any commodity on the current list. Offers accepted by CCC will be subject to the terms and conditions prescribed by the Corporation. These terms include payment by cash or irrevocable letter of credit before delivery of the commodity, and the conditions require removal of the commodity from CCC stocks within a reasonable period of time. Where conditions of sale for export differ from those for domestic sale, proof of exportation is also required, and the buyer is responsible for obtaining any required U.S. Government export permit or license. Purchases from CCC shall not constitute any assurance that any such

permit or license will be granted by the issuing authority.

Applicable announcements containing all terms and conditions of sale will be furnished upon request. For easy reference a number of these announcements are identified by code number in the following list. Interested persons are invited to communicate with the Agricultural Stabilization and Conservation Service, USDA, Washington 25, D.C., with respect to all commodities or—for specified commodities—with the designated ASCS Commodity Office.

Commodity Credit Corporation reserves the right to amend, from time to time, any of its announcements. Such amendments shall be applicable to and be made a part of the sale contracts thereafter entered into.

CCC reserves the right to reject any or all offers placed with it for the purchase of commodities pursuant to such announcements.

If CCC does not have adequate information as to the financial responsibility of a prospective buyer to meet all contract obligations that might arise by acceptance of an offer or if CCC deems such buyer's financial responsibility to be inadequate CCC reserves the right (i) to refuse to consider the offer, (ii) to accept the offer only after submission by the buyer of a certified or cashier's check, bond, letter of credit or other security acceptable to CCC assuring that the buyer will discharge the responsibility under the contract, or (iii) to accept the offer upon condition that the buyer promptly submit to CCC such of the aforementioned security as CCC may direct. If a prospective buyer is in doubt as to whether CCC is acquainted with his financial responsibility he should communicate with the ASCS office at which the offer is to be placed to determine whether a financial statement or advance financial arrangement will be necessary in his case.

Disposals and other handling of inventory items often result in small quantities at given locations or in qualities not up to specifications. These lots are offered by the appropriate ASCS office promptly upon appearance and therefore, generally, they do not appear in the Monthly Sales List.

On sales for which the buyer is required to submit proof to CCC of exportation the buyer shall be regularly engaged in the business of buying or selling commodities and for this purpose shall maintain a bona fide business office in the United States, its territories or possessions, and have a person, principal, or resident agent upon whom service of judicial process may be had.

Prospective buyers for export should note that generally, sales to United States Government agencies, with only minor exceptions, will constitute a domestic unrestricted use of the commodity.

Commodity Credit Corporation reserves the right, before making any sales, to define or limit export areas.

Notice to exporters. The Department of Commerce, Bureau of International Programs (the Bureau of Foreign Commerce until Aug. 9, 1961), pursuant to regulations under the Export Control Act of 1949, prohibits the exportation or re-exportation by anyone of any commodities (except absorbent cotton and sterilized gauze and bandages with respect to Cuba only) under this program to Cuba, the Soviet Bloc, or Communist-controlled area of the Far East including Communist China, North Korea, and the Communist-controlled area of Vietnam, except under validated license issued by the U.S. Department of Commerce, Bureau of International Programs.

These regulations generally require that exporters, in or in connection with their contracts with foreign purchasers, where the contract involves \$10,000 or more and exportation is to be made to a Group R country, obtain from the foreign purchaser a written acknowledgment of his understanding of (1) U.S. Commerce Department prohibitions (Comprehensive Export Schedule, 15 CFR §§ 371.4 and 371.8) against sales or resale for reexport of said commodities, or any part thereof, without express Commerce Department authorization, to the Soviet Bloc, Communist China, North Korea or the Communist-controlled area of Vietnam or to Cuba, and (2) the sanction of denial of future U.S. export privileges that may be imposed for violation of the Commerce Department regulations. Exporters who have a continuing and regular relationship with a foreign purchaser may obtain a blanket acknowledgment from such purchaser covering all transactions involving surplus agricultural commodities and manufactures thereof purchased from CCC or subsidized for export by the Secretary of Agriculture or CCC. Where commodities are to be exported by a party other than the original purchaser of the commodities from the CCC the original purchaser should inform the exporter in writing of the requirements for obtaining the signed acknowledgment from the foreign purchaser.

For all exportations, one of the destination control statements specified in Commerce Department Regulations (Comprehensive Export Schedule, 15 CFR § 379.10(c)) is required to be placed on all copies of the shipper's export declaration, all copies of the bill of lading, and all copies of the commercial invoices. For additional information as to which destination control statement to use, the exporter should communicate with the Bureau of International Programs or one of the field offices of the Department of Commerce.

Exporters should consult the applicable Commerce Department regulations for more detailed information if desired and for any changes that may be made therein.

Commodity	Sales price or method of sale																																			
Dairy products.....	Sales are in carlots only in store at storage location of products. Submission of offers: Submit offers to the Minneapolis ASCS Commodity Office.																																			
Butter.....	Domestic, unrestricted use: Announced prices, under LD-29 as amended: 62.00 cents per pound—New York, Pennsylvania, New Jersey, New England, and other States bordering the Atlantic Ocean and Gulf of Mexico. 61.25 cents per pound—Washington, Oregon, and California. All other States 61.00 cents per pound. Export: Competitive bid under LD-33, as amended, pursuant to invitations to bid to be issued by Minneapolis ASCS Commodity Office. Announced prices under LD-35: When sales are made under LD-33, as amended, above, any butter offered but not sold under the invitation to bid will be offered for sale through the following Wednesday at prices announced by press release in Washington each Thursday.																																			
Nonfat dry milk.....	Domestic, unrestricted use: Announced prices, under LD-29, as amended: Spray process, U.S. Extra Grade, 16.40 cents per pound. Export:																																			
	Competitive bid under LD-33, as amended, pursuant to invitations to bid to be issued by Minneapolis ASCS Commodity Office. Announced prices under LD-35: When sales are made under LD-33, as amended, above, any nonfat dry milk offered but not sold under the invitation to bid will be offered for sale through the following Monday at prices announced by press release in Washington each Tuesday.																																			
Cheddar cheese (standard moisture basis).	Domestic, unrestricted use: Announced prices under LD-29, as amended: 40.75 cents per pound—New York, Pennsylvania, New England, New Jersey, and other States bordering the Atlantic Ocean and Pacific Ocean and the Gulf of Mexico. All other States 39.75 cents per pound. Export: Competitive bid under LD-33, as amended, pursuant to invitations to bid to be issued by Minneapolis ASCS Commodity Office. Announced prices under LD-35: When sales are made under LD-33, as amended, above, any cheese offered but not sold under the invitation to bid will be offered for sale through the following Wednesday at prices announced by press release in Washington each Thursday.																																			
Cotton, upland.....	Domestic, unrestricted use: Competitive bid under the terms and conditions of Announcement NO-C-16, as amended (sale of Upland Cotton for unrestricted use). Under this Announcement, upland cotton acquired under price-support programs will be sold at the highest price offered but in no event at less than the higher of (a) 115 percent of the current support price for such cotton plus reasonable carrying charges or (b) the market price for such cotton as determined by CCC. Export, CCC Sales for Export: Competitive bid under the terms and conditions of Announcements CN-EX-18 Cotton Export Program—Sales (1963-64 Marketing Year) and NO-C-22 Sale of Upland Cotton (Cotton Export Program—1963-64 Marketing Year). Export, CCC Barter and Credit Sales: Competitive bid under the terms and conditions of Announcements CN-EX-17 (Acquisition of Upland Cotton for Export under Barter and Export Credit Sales Programs) and NO-C-21 (Sale of Upland Cotton (for Barter and Credit Sales)). Cotton to be sold at the highest price offered but in no event at less than the higher of (a) or (b) below, plus 60 points: (a) the domestic market price for such cotton, as determined by CCC, or (b) the loan rate for such cotton in effect at the point of storage during the marketing year in which the sale is made, plus reasonable carrying charges for the month in which the sale is made.																																			
Cotton, extra long staple.....	Domestic or export, unrestricted use: Competitive bid under the terms and conditions of Announcement NO-C-6 (revised July 22, 1960), as amended, and NO-C-10, as amended. Under these announcements extra long staple cotton will be sold at the highest price offered but in no event at less than the higher of (a) 115 percent of the current support price for such cotton plus reasonable carrying charges, or (b) the domestic market price as determined by CCC.																																			
Catalogs.....	Catalogs for upland cotton and extra long staple cotton showing quantities, qualities, and locations may be obtained for a nominal fee from the New Orleans ASCS Commodity Office.																																			
Wheat, bulk.....	Domestic, unrestricted use: Market price basis in store, ¹ but not less than 105 percent of the applicable 1962 support price ² for the class, grade, and quality of the wheat plus the amount shown below applicable to the type of carrier involved. If delivery is outside the area of production applicable freight will be added.																																			
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			Portland.....	No. 1 SW.....	2.38																															

Available: At bin sites through ASCS county offices. At other locations through the Evanston, Kansas City, Minneapolis, and Portland ASCS Offices.

Export:

(1) Under Announcement GR-345 (revised July 13, 1962) as amended, for export under the wheat export payment-in-kind program, (2) under Announcement GR-212 (revision 2, Jan. 9, 1961), for specified offerings as announced and (3) as wheat under Announcement GR-261 (revision 2, Jan. 9, 1961) or as flour under Announcement GR-262 (revision 2, Jan. 9, 1961), for application under arrangements for barter which permits exportation of wheat as flour and approved CCC credit sales only at prices determined daily. Sales under the above announcements are made at the applicable export market price, as determined by CCC; export payment-in-kind rates are deducted from credit and barter sales.

Available: Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. (At Portland ASCS Office hard red winter wheat with 12.0 percent or less protein will be available for barter or Title I, Public Law 480 transactions for export to Korea, Okinawa and Formosa only.)

See footnotes at end of table.

Commodity	Sales price or method of sale	Commodity	Sales price or method of sale															
Rye, bulk ----- Rye -----	Domestic, unrestricted use: Storable; Market price basis in store,¹ but not less than 105 percent of the applicable 1962 support price² for the class, grade, and quality of the grain plus the respective amount shown below applicable to the type of carrier involved. If delivery is outside the area of production applicable freight will be added to the above. <table border="1"> <thead> <tr> <th rowspan="2">Unit</th><th colspan="3">Examples of minimum prices (exrall or barge)</th></tr> <tr> <th>Received by—</th><th>Terminal</th><th>Price</th></tr> <tr> <th></th><th>Truck</th><th>Rail or barge</th><th></th></tr> </thead> <tbody> <tr> <td>Bushel-----</td><td>Cents 15</td><td>Cents 9</td><td>No. 2 or better (or No. 3 on TW only). \$1.38</td></tr> </tbody> </table> Available: At bin sites through ASCS county offices. At other locations through the Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. Nonstorable (as available): At not less than market price as determined by CCC through the ASCS grain offices listed below under Soybeans. Export: (1) Under Announcement GR-368 (revised Aug. 31, 1959), as amended, for feed grain export payment-in-kind program. (2) Under Announcement GR-212 (revision 2, Jan. 9, 1961), for application to arrangements for barter, approved CCC credit and emergency sales. Sale is made at the applicable export market price, as determined by CCC; export payment-in-kind rates are deducted from credit and barter sales. A available: Evanston, Kansas City, and Portland ASCS Offices; also Minneapolis ASCS Office for rye stored in terminals in Minneapolis.	Unit	Examples of minimum prices (exrall or barge)			Received by—	Terminal	Price		Truck	Rail or barge		Bushel-----	Cents 15	Cents 9	No. 2 or better (or No. 3 on TW only). \$1.38	Barley, bulk (continue) ----- Corn, bulk -----	Export announcement sales: (1) Under Announcement GR-368 (revised Aug. 31, 1959), as amended, for feed grain export payment-in-kind program, except for Public Law 480 Title I and Title IV transactions. (2) Under Announcement GR-212 (revision 2, Jan. 9, 1961), for application to approved CCC barter, credit and emergency sales. CCC reserves the right to determine the class, grade, quality, and quantity to be made available for the sales under these announcements. The statutory minimum price referred to in the price adjustment provisions of these export sales announcements is 105 percent of the applicable support price plus the adjustable export market price, as determined by CCC. Sale is made at the applicable export market price, as determined by CCC; export payment-in-kind rates are deducted from credit and barter sales. A available: Evanston and Kansas City ASCS Offices. Stocks at West Coast seaboard terminals and stocks at Duluth or Minneapolis will be available through the Portland and Minneapolis ASCS Offices, respectively. Domestic and export: Storable; A. Redemption of Feed Grain Program Certificates: Such CCC dispositions of storable corn as may be designated by CCC, will be in redemption of certificates or rights represented by pooled certificates under a Feed Grain Program. Redemptions will be made at applicable market price at point of delivery, as determined by CCC, except for redemptions of 1963 producer certificates. Redemptions of 1963 producer certificates during the month will be made at market price, as determined by CCC, but not less than the applicable 1962 support price for class, grade, and quality of the corn. CCC reserves the right to determine the time of delivery, and the class, grade, and quality and quantity of corn that will be made available for redemption. CCC also reserves the right to restrict the availability of corn at any location whenever such action is deemed necessary. For information on the availability of such grain from bin sites, contact ASCS State or county offices. For information on the availability of such grain from other locations, contact the Evanston, Kansas City, Minneapolis, or Portland ASCS Offices. B. General Sales: Market price basis in store,¹ but not less than 105 percent of the applicable 1962 support price² for the class, grade, and quality of the corn plus the amount shown below applicable to the storage point involved. For corn in store at other than the point of production the freight from point of production to the present point of storage will also be added.
Unit	Examples of minimum prices (exrall or barge)																	
	Received by—	Terminal	Price															
	Truck	Rail or barge																
Bushel-----	Cents 15	Cents 9	No. 2 or better (or No. 3 on TW only). \$1.38															
Barley, bulk -----	Domestic and export: Storable; A. Redemption of Feed Grain Program Certificates: Such CCC dispositions of storable barley as may be designated by CCC, will be in redemption of certificates or rights represented by pooled certificates under a Feed Grain Program. Redemptions will be made at applicable market prices at point of delivery, as determined by CCC, except for redemptions of 1963 producer certificates. Redemptions of 1963 producer certificates during the month will be made at market price, as determined by CCC, but not less than the applicable 1962 support price for class, grade and quality of the barley. CCC reserves the right to determine the time of delivery, and the class, grade, quality, and quantity of barley that will be made available for redemption. CCC also reserves the right to restrict the availability of barley at any location whenever such action is deemed necessary. For information on the availability of such barley from bin sites, contact the ASCS State or county offices. For information on the availability of such barley from other locations, contact the Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. B. General Sales: Market price basis in store,¹ but not less than 105 percent of the applicable 1962 support price² for the class, grade, and quality of the barley plus the amount shown below applicable to the type of carrier involved. If delivery is outside the area of production, applicable freight will be added to the above. <table border="1"> <thead> <tr> <th rowspan="2">Unit</th><th colspan="3">Examples of minimum prices (exrall or barge)</th></tr> <tr> <th>Received by—</th><th>Terminal</th><th>Price</th></tr> <tr> <th></th><th>Truck</th><th>Rail or barge</th><th></th></tr> </thead> <tbody> <tr> <td>Bushel-----</td><td>Cents 14</td><td>Cents 9</td><td>No. 2 or better----- \$1.27</td></tr> </tbody> </table> Available: For information on the availability of such grain from bin sites, contact ASCS State or county offices. For information on the availability of such grain from other locations, contact the Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. Nonstorable (as available): At not less than market price as determined by CCC. At bin sites through ASCS county offices. At other locations through the ASCS grain offices listed below under Soybeans.	Unit	Examples of minimum prices (exrall or barge)			Received by—	Terminal	Price		Truck	Rail or barge		Bushel-----	Cents 14	Cents 9	No. 2 or better----- \$1.27	Corn -----	Export announcement sales: (1) Under Announcement GR-368 (revised Aug. 31, 1959), as amended, for feed grain export payment-in-kind program, except for Public Law 480 Title I and Title IV transactions. (2) Under Announcement GR-212 (revision 2, Jan. 9, 1961), for application to approved CCC barter, credit and emergency sales. CCC reserves the right to determine the class, grade, quality, and quantity to be made available for the sales under these announcements. The statutory minimum price referred to in the price adjustment provisions of these export sales announcements is 105 percent of the applicable support price plus the adjustable export market price, as determined by CCC; export payment-in-kind rates are deducted from credit and barter sales. A available: Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. Domestic and export: Storable; A. Redemption of Feed Grain Program Certificates: Such CCC dispositions of storable corn as may be designated by CCC, will be in redemption of certificates or rights represented by pooled certificates under a Feed Grain Program. Redemptions will be made at applicable market price at point of delivery, as determined by CCC, except for redemptions of 1963 producer certificates. Redemptions of 1963 producer certificates during the month will be made at market price, as determined by CCC, but not less than the applicable 1962 support price for class, grade, and quality of the corn. CCC reserves the right to determine the time of delivery, and the class, grade, and quality and quantity of corn that will be made available for redemption. CCC also reserves the right to restrict the availability of corn at any location whenever such action is deemed necessary. For information on the availability of such grain from bin sites, contact ASCS State or county offices. For information on the availability of such grain from other locations, contact the Evanston, Kansas City, Minneapolis, or Portland ASCS Offices. B. General Sales: Market price basis in store,¹ but not less than 105 percent of the applicable 1962 support price² for the class, grade, and quality of the corn plus the amount shown below applicable to the storage point involved. For corn in store at other than the point of production the freight from point of production to the present point of storage will also be added.
Unit	Examples of minimum prices (exrall or barge)																	
	Received by—	Terminal	Price															
	Truck	Rail or barge																
Bushel-----	Cents 14	Cents 9	No. 2 or better----- \$1.27															

Commodity	Sales price or method of sale	Commodity	Sales price or method of sale
Oats, bulk.....	Domestic and export: Storable: A. Redemption of Feed Grain Program Certificates: Such CCC redemptions of storable oats as may be designated by CCC, will be in redemption of certificates or rights represented by pooled certificates under a Feed Grain Program. Redemptions will be made at applicable market price at point of delivery, determined by CCC except for redemptions of 1963 producer certificates. Redemptions of 1963 producer certificates during the month will be made at market price, as determined by CCC, but not less than the applicable 1962 support price for class, grade and quality of the oats. CCC reserves the right to determine the time of delivery and the class, grade, quality and quantity of oats that will be made available for redemption. CCC also reserves the right to restrict the availability of oats at any location whenever such action is deemed necessary. For information on the availability of such oats from bin sites, contact ASCS State or county offices. For information on the availability of such oats from other locations contact the Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. B. General Sales: 4 Market price basis in store, ¹ but not less than 105 percent of the applicable 1962 support price ² for the class, grade, and quality of the oats plus the amount shown below applicable to the storage point involved. For oats in store at other than the point of production the freight from point of production to the present point of storage will also be added.	Grain sorghums, bulk (continued).	Domestic and export—Continued
Oats.....	Available: For information on the availability of such oats from bin sites, contact ASCS State or county offices. For information on the availability of such oats from other locations, contact the Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. Nonstorable (as available): At not less than market price as determined by CCC. At bin sites through ASCS county offices. At other locations through the ASCS grain offices listed below under Soybeans. Export announcement sales: (1) Under Announcement GR-212 (Revision 2, Jan. 9, 1961), for application to arrangements for barter, approved CCC credit and other designated sales. (2) Under Announcement GR-368 (Revision Aug. 31, 1959) as amended, for feed grain export payment-in-kind program. CCC stocks of grain sorghums held in California export terminals are the only grain sorghums stored in California available for sale under these export announcements, except that such sorghums shall not be eligible for application to Title I, Public Law 480 purchase authorizations for barter. CCC reserves the right to determine the class, grade, quality and quantity to be made available for sale under the announcements. The statutory minimum price referred to in the price adjustment provision of these export sales announcements is 105 percent of the applicable support price plus the applicable export market price, as determined by CCC; export payment-in-kind rates are deducted from credit and barter sales. Available: Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. Domestic, unrefined price in store, but not less than 105 percent ² of the applicable 1962 support price for the class, grade, and quality of the grain plus the respective amount shown below applicable to the type of carrier involved. If delivery is outside the area of production applicable freight will be added to the above.	Grain sorghums	Received by— Truck Rail or barge Class and grade Terminal Price Cents 29 Cents 18 No. 2 or better..... \$2.58 Hundredweight.....
Grain sorghums, bulk.....	Available through the Minneapolis (Grain Merchandising) ASCS Office, Nonstorable, (as available): At not less than market price as determined by CCC through the Minneapolis (Grain Merchandising) ASCS Office. Domestic or export: Market price basis in store, ¹ but not less than the 1962 basic loan rate for No. 2 grade, basis point of production plus 19 cents per bushel. Market discounts for quality factors will be applied to the basic price to determine the actual minimum sales prices. If delivery is outside the area of production applicable freight and out-elevation charges at county loading point and in-elevation charges at subterminal or terminal storage point will be added to the above price. Available: At bin sites through ASCS county offices. At other locations through the Evanston, Kansas City, and Minneapolis ASCS Offices.	Flaxseed, bulk.....	Received by— Truck Rail or barge Class and grade Terminal Price Cents 17 Cents 9 No. 1..... \$3.38 Bushel.....
Grain sorghums, bulk.....	Available: For information on the availability of such grain sorghums from bin sites, contact ASCS State or county offices. For information on the availability of such grain sorghums from other locations, contact the Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. Nonstorable (as available): At not less than market price as determined by CCC. At bin sites through ASCS county offices. At other locations through the ASCS grain offices listed below under Soybeans. Export announcement sales: (1) Under Announcement GR-212 (Revision 2, Jan. 9, 1961), for application to arrangements for barter, approved CCC credit and other designated sales. (2) Under Announcement GR-368 (Revision Aug. 31, 1959) as amended, for feed grain export payment-in-kind program. CCC stocks of grain sorghums held in California export terminals are the only grain sorghums stored in California available for sale under these export announcements, except that such sorghums shall not be eligible for application to Title I, Public Law 480 purchase authorizations for barter. CCC reserves the right to determine the class, grade, quality and quantity to be made available for sale under the announcements. The statutory minimum price referred to in the price adjustment provision of these export sales announcements is 105 percent of the applicable support price plus the applicable export market price, as determined by CCC; export payment-in-kind rates are deducted from credit and barter sales. Available: Evanston, Kansas City, Minneapolis, and Portland ASCS Offices. Domestic, unrefined price in store, but not less than 105 percent ² of the applicable 1962 support price for the class, grade, and quality of the grain plus the respective amount shown below applicable to the type of carrier involved. If delivery is outside the area of production applicable freight will be added to the above.	Flaxseed.....	Received by— Truck Rail or barge Class and grade Terminal Price Cents 17 Cents 9 No. 1..... \$3.38 Bushel.....

See footnotes at end of table.

Commodity	Sales price or method of sale		
Dry edible beans (bagged) (as available).	Domestic: Domestic market price but not less than the following minimum price per cwt. For U.S. No. 1 f.o.b. indicated points of production, amount of paid-in-freight to be added as applicable. For other grades, adjust by market differentials. In other areas, adjust by the 1962 price support differential.		
	Class	Price per hundredweight	Area of production
	Red kidney.....	\$9.32	New York and Michigan.
	Pea.....	7.63	Michigan.
	Export: Under Announcement GR-409 the following price per cwt. on the basis of U.S. No. 1 f.o.b. indicated points of production, amount of paid-in freight to be added as applicable. In other areas, adjust by the 1962 price support differential.		
	Class	Price per hundredweight	Area of production
	Red kidney.....	\$8.64	New York and Michigan.
	Pea.....	7.15	Michigan.
Peanuts, shelled or unshelled (farmers' stock as available).	As available from the Evanston ASCS Commodity Office.		
Gum turpentine.....	Domestic for crushing or export: Competitive bid under CCC Peanut Announcement 1 (revised Jan. 4, 1962), as amended. Domestic, unrestricted use: Competitive offers for unrestricted use, bulk in storage tanks, subject to Announcement TB-21-61 and supplements thereto. Available through Naval Stores Branch, Farmer Programs Division, ASCS, U.S. Department of Agriculture.		

¹ On bin site sales such delivery basis shall be f.o.b. buyer's conveyance at the bin site.

² To compute, multiply applicable support price by 1.05, round product up to nearest whole cent and add amount shown above and any applicable freight for grain stored outside the area of production. Such support price shall include the loan bulletin premium for applicable sedimentation value, if the wheat is sold on a sedimentation basis. If it is not sold on a sedimentation basis such support price shall be increased by market premiums for applicable protein content, but not in excess of 25 cents per bushel.

³ To compute, multiply applicable support price by 1.05, round product up to nearest whole cent and add amount shown above and any applicable freight for grain stored outside the area of production.

⁴ Such dispositions shall be for domestic unrestricted use or for export.

⁵ To compute, multiply applicable support prices by 1.05, round product up to nearest whole cent and add amount shown above and any applicable freight.

⁶ Woodford County, Illinois, origin.

⁷ Such dispositions shall be for domestic restricted use or for export.

USDA AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE OFFICES

GRAIN OFFICES

Evanston ASCS Commodity Office, 2201 Howard Street, Evanston, Ill. Telephone: Long distance—University 9-0600 (Evanston exchange). Local—Rogers Park 1-5000 (Chicago, Ill.).

Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, Vermont, and West Virginia.

Branch Office—Minneapolis ASCS Branch Office, 310 Grain Exchange Building, Minneapolis 15, Minn. Telephone: 334-2051.

Minnesota, Montana, North Dakota, South Dakota, and Wisconsin.

Kansas City ASCS Commodity Office, 8930 Ward Parkway (P.O. Box 205) Kansas City 41, Mo. Telephone: Emerson 1-0860.

Alabama, Arkansas, Colorado, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, Texas, and Wyoming.

Branch Office—Portland ASCS Branch Office, 1218 Southwest Washington Street, Portland 5, Oreg. Telephone: Capitol 6-3361.

Alaska, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington, and Arizona, and California (export sales only).

Branch Office—Berkeley ASCS Branch Office, 2020 Milvia Street, Berkeley 4, Calif. Telephone: Thornwall 1-5121.

Arizona and California (domestic sales only).

PROCESSED COMMODITIES OFFICE (ALL STATES)

Minneapolis ASCS Commodity Office, 6400 France Avenue, South Minneapolis 10, Minn. Telephone: Walnut 7-7311.

COTTON OFFICES (ALL STATES)

New Orleans ASCS Commodity Office, Wirth Building, 120 Marais Street, New Orleans 16, La. Telephone: 529-2411.

Cotton Products and Export Operations Office, 80 Lafayette Street, New York 13, N.Y. Telephone: Rector 2-8000.

Representative of General Sales Manager, New York Area: Joseph Reiding, 80 Lafayette Street, New York 13, N.Y. Telephone: Rector 2-8000.

Representative of General Sales Manager, West Coast Area: Callan B. Duffy, Balboa Building, 593 Market Street, San Francisco 4, Calif. Telephone: Sutter 1-3179.

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 407, 63 Stat. 1066; 7 U.S.C. 1427)

Signed at Washington, D. C., on May 6, 1963.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 63-5033; Filed, May 9, 1963; 8:48 a.m.]

Office of the Secretary

HAWAII

Designation of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the

Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the herein-after-named islands of Hawaii, a natural disaster has caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

HAWAII

Island of Kauai.
Island of Oahu.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named islands after December 31, 1963, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 6th day of May 1963.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 63-5034; Filed, May 9, 1963; 8:48 a.m.]

DEPARTMENT OF THE TREASURY

Comptroller of the Currency

AMERICAN NATIONAL BANK OF SILVER SPRING AND THE CANTON NATIONAL BANK

Notice of Decision Granting Application To Merge

On March 5, 1963, the American National Bank of Silver Spring, Silver Spring, Maryland, and The Canton National Bank, Baltimore, Maryland, applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title "American National Bank of Maryland."

On April 30, 1963, the Comptroller of the Currency granted this application, effective on or after May 7, 1963.

Copies of this decision are available on request to the Comptroller of the Currency, Washington 25, D.C.

Dated: May 6, 1963.

[SEAL] A. J. FAULSTICH,
Administrative Assistant to the
Comptroller of the Currency.

[F.R. Doc. 63-5047; Filed, May 9, 1963; 8:49 a.m.]

FIRST NATIONAL BANK OF GEORGETOWN AND FARMERS-DEPOSIT BANK OF SADIEVILLE

Notice of Decision Granting Application To Merge

On January 31, 1963, The First National Bank of Georgetown, Georgetown, Kentucky, and Farmers-Deposit Bank of Sadieville, Sadieville, Kentucky, applied to the Comptroller of the Currency for permission to merge under the charter of the former and with the title "First National Bank and Trust Company."

On April 30, 1963, the Comptroller of the Currency granted this application, effective on or after May 7, 1963.

Copies of this decision are available on request to the Comptroller of the Currency, Washington 25, D.C.

Dated: May 6, 1963.

[SEAL] A. J. FAULSTICH,
Administrative Assistant to the
Comptroller of the Currency.

[F.R. Doc. 63-5048; Filed, May 9, 1963;
8:50 a.m.]

WILMINGTON TRUST CO. AND BALTIMORE TRUST CO.

Notice of Report to Board of Governors, Federal Reserve System on the Competitive Factors Involved in Acquisition of Assets

On March 21, 1963, the Board of Governors of the Federal Reserve System, pursuant to 12 U.S.C. 1828(c), requested the Comptroller of the Currency to report on the competitive factors involved in the proposed purchase of assets and assumption of liabilities of \$2.8 million Camden Office of the \$16 million Baltimore Trust Company, Selbyville, Delaware, by the \$406 million Wilmington Trust Company, Wilmington, Delaware.

On April 29, 1963, the Comptroller of the Currency reported that approval of this acquisition will bring the services of the aggressive Wilmington Trust Company directly into the Camden area with consequent benefit to residents of the area and without any disruption to competitive banking in the Dover-Camden area.

Copies of this report are available on request to the Comptroller of the Currency, Washington 25, D.C.

Dated: May 6, 1963.

[SEAL] A. J. FAULSTICH,
Administrative Assistant to the
Comptroller of the Currency.

[F.R. Doc. 63-5049; Filed, May 9, 1963;
8:50 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management CALIFORNIA

Notice of Correction and Partial Termination of Proposed Withdrawal and Reservation of Lands

MAY 3, 1963.

Notice of an application Serial No. Sacramento 074614, for withdrawal and reservation of lands, was published as Federal Register Document No. 63-2939 on pages 2831 and 2832 of the issue for March 21, 1963.

That portion of the land description in sec. 25, T. 8 N., R. 9 E., M.D.M., which reads Lots 4, 5, Tiger Mine (in E $\frac{1}{2}$ NW $\frac{1}{4}$ sec. 25), is corrected to read E $\frac{1}{2}$ NW $\frac{1}{4}$ to conform to the official supplemental plat of survey.

That portion of the land description which reads SW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 25, T. 9 N., R. 10 E., M.D.M., is corrected to read Lot 6 to conform to the official plat of survey.

Unpatented Mineral Survey 4223 sec. 13, T. 9 N., R. 10 E., M.D.M., is corrected to read unpatented portion of Mineral Survey 4223.

A certain tract of land being that portion of Lot 8 sec. 25, T. 9 N., R. 12 E., M.D.M., that is public land is corrected to read E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, and Lot 9 sec. 25, T. 9 N., R. 12 E., M.D.M., is corrected to read SW $\frac{1}{4}$ NE $\frac{1}{4}$, to conform to the official plat of survey.

The applicant agency has cancelled its application insofar as it involves the lands described hereinafter. Therefore, pursuant to the regulations contained in 43 CFR, Part 295, such lands will be at 10:00 a.m., on June 7, 1963, relieved of the segregative effect of the aforementioned application:

MOUNT DIABLO MERIDIAN, CALIFORNIA

- T. 8 N., R. 10 E.,
Sec. 2, Lot 9 (except Mineral Survey 4470).
T. 9 N., R. 10 E.,
Sec. 12, Lot 14;
Sec. 13, That portion of Mineral Survey 4223 in conflict with patented Mineral Survey 5552.
T. 8 N., R. 11 E.,
Sec. 6, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 7, Lots 1, 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$.
T. 9 N., R. 11 E.,
Sec. 19, Lots 2, 3, W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ -SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 20, N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$.
T. 9 N., R. 12 E.,
Sec. 25, Lot 39.

WALTER E. BECK,
Manager, Land Office,
Sacramento.

[F.R. Doc. 63-5046; Filed, May 9, 1963;
8:49 a.m.]

CALIFORNIA

Notice of Amendment and Partial Termination of Proposed Withdrawal and Reservation of Lands

Correction

In F.R. Doc. 63-4443 appearing in the issue for Friday, April 26, 1963, at page 4144, under the description for lands terminated, "W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ " should read "W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ ".

Principal ingredient	Quantity	Limitations	Indications for use
Chlortetracycline.....	2,000 mg. per gallon.	For chicks and chickens as chlortetracycline hydrochloride or chlortetracycline bisulfate; not for laying chickens; not to be used for more than 3 consecutive days; for chickens, withdraw 24 hours prior to slaughter; as sole source of chlortetracycline.	Treatment of chronic respiratory disease complex (pleuropneumonia-like organisms and coliforms) and fowl cholera (Pasteurellosis); maintenance of weight gain in chicks in presence of <i>Mycoplasma gallisepticum</i> (pleuropneumonia-like organisms)

Dated: May 6, 1963.

[F.R. Doc. 63-5043; Filed, May 9, 1963; 8:49 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 13602 etc.]

EASTERN-OZARK TRANSFER CASE

Notice of Hearing

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding is assigned to be held on June 4, 1963, at 10:00 a.m. e.d.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before the undersigned Hearing Examiner.

For information concerning the issues involved and other details in this proceeding, interested persons are referred to Board Orders E-18771, dated September 5, 1962, E-19289, dated February 11, 1963, and E-19504, dated April 17, 1963, the prehearing conference report served March 26, 1963, the supplemental prehearing conference report served April 12, 1963, and other documents which are in the docket of this proceeding on file in the Docket Section of the Civil Aeronautics Board.

Dated at Washington, D.C., May 6, 1963.

[SEAL]

ROBERT L. PARK,
Hearing Examiner.

[F.R. Doc. 63-5044; Filed, May 9, 1963;
8:49 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration AMERICAN CYANAMID CO.

Notice of Filing of Petition Regarding Food Additive Chlortetracycline

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348 (b)(5)), notice is given that a petition (FAP 1105) has been filed by American Cyanamid Company, Post Office Box 400, Princeton, New Jersey, proposing the amendment of § 121.208 of the food additive regulations to provide for the safe use of chlortetracycline hydrochloride or chlortetracycline bisulfate, in chicken drinking water as follows:

J. K. KIRK,
Assistant Commissioner of
Food and Drugs.

FEDERAL COMMUNICATIONS COMMISSION

[FCC 63-409]

APPLICABILITY OF SPONSORSHIP IDENTIFICATION RULES

May 6, 1963.

With the development of broadcast service along private commercial lines, meaningful government regulation of the various broadcast media has from an early date embraced the principle that listeners are entitled to know by whom they are being persuaded. Thus, as far back as the Radio Act of 1927 and continuing with section 317 of the Communications Act of 1934 there has been an unvarying requirement that all matter broadcast by any station for a valuable consideration is to be announced as paid for or furnished, and by whom.

On September 13, 1960, a bill (S. 1898) was signed into law amending section 317 of the Act to redefine the situations in which broadcast licensees must make sponsorship identification announcements. In addition, the new law (Public Law 86-752) added a new section 508 to the Act requiring disclosure by persons other than broadcast licensees who provide or receive valuable consideration for the inclusion of any matter in a program intended for broadcast. The persons to whom section 508 relates had previously not been directly subject to any previous provisions of the Act. Subsection (e) of the revised section 317 directs the Commission to prescribe appropriate rules and regulations to implement the Congressional intent expressed in the new wording of section 317. In adopting the new legislation, the Congress also set forth a series of twenty-seven examples to illustrate the intended effect of the proviso clause in amended section 317(a). By Report and Order adopted May 1, 1963, in Docket No. 14094,¹ the Commission promulgated revised sponsorship identification rules so as to implement amended section 317. There follows hereafter the amended section 317, new section 508, the Commission's revised rules and thirty-six illustrative interpretations including the twenty-seven examples mentioned above.

Section 317 reads as follows:

SEC. 317. (a) (1) All matter broadcast by any radio station for which any money, service or other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the station so broadcasting, from any person, shall, at the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by such person: *Provided*, That "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.

(2) Nothing in this section shall preclude the Commission from requiring that an ap-

propriate announcement shall be made at the time of the broadcast in the case of any political program or any program involving the discussion of any controversial issue for which any films, records, transcriptions, talent, scripts, or other material or service of any kind have been furnished, without charge or at a nominal charge, directly or indirectly, as an inducement to the broadcast of such program.

(b) In any case where a report has been made to a radio station as required by section 508 of this Act, of circumstances which would have required an announcement under this section had the consideration been received by such radio station, an appropriate announcement shall be made by such radio station.

(c) The licensee of each radio station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program or program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(d) The Commission may waive the requirement of an announcement as provided in this section in any case or class of cases with respect to which it determines that the public interest, convenience or necessity does not require the broadcasting of such announcement.

(e) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

Section 508 reads as follows:

SEC. 508. (a) Subject to subsection (d), any employee of a radio station who accepts or agrees to accept from any person (other than such station), or any person (other than such station) who pays or agrees to pay such employee, any money, service or other valuable consideration for the broadcast of any matter over such station shall, in advance of such broadcast, disclose the fact of such acceptance or agreement to such station.

(b) Subject to subsection (d), any person who, in connection with the production or preparation of any program or program matter which is intended for broadcasting over any radio station, accepts or agrees to accept, or pays or agrees to pay, any money, service or other valuable consideration for the inclusion of any matter as a part of such program or program matter, shall, in advance of such broadcast, disclose the fact of such acceptance or payment or agreement to the payee's employer, or to the person for whom such program or program matter is being produced, or to the licensee of such station over which such program is broadcast.

(c) Subject to subsection (d), any person who supplies to any other person any program or program matter which is intended for broadcasting over any radio station shall, in advance of such broadcast, disclose to such other person any information of which he has knowledge, or which has been disclosed to him, as to any money, service or other valuable consideration which any person has paid or accepted, or has agreed to pay or accept, for the inclusion of any matter as a part of such program or program matter.

(d) The provisions of this section requiring the disclosure of information shall not apply in any case where, because of a waiver made by the Commission under section 317 (d), an announcement is not required to be made under section 317.

(e) The inclusion in the program of the announcement required by section 317 shall constitute the disclosure required by this section.

(f) The term "service or other valuable consideration" as used in this section shall not include any service or property furnished without charge or at a nominal charge

for use on, or in connection with, a broadcast, or for use on a program which is intended for broadcasting over any radio station, unless it is so furnished in consideration for an identification in such broadcast or in such program of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property in such broadcast or such program.

(g) Any person who violates any provision of this section shall for each such violation, be fined not more than \$10,000 or imprisoned not more than one year, or both.

Section 3.119 of the Commission's rules, relating to standard broadcast stations, reads as follows:

§ 3.119 *Sponsored programs, announcement of.* (a) When a standard broadcast station transmits any matter for which money, services, or other valuable consideration is either directly or indirectly paid or promised to, or charged or received by, such station, the station shall broadcast an announcement that such matter is sponsored, paid for, or furnished, either in whole or in part, and by whom or on whose behalf such consideration was supplied: *Provided, however*, That "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.

(b) The licensee of each standard broadcast station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(c) In any case where a report (concerning the providing or accepting of valuable consideration by any person for inclusion of any matter in a program intended for broadcasting) has been made to a standard broadcast station, as required by section 508 of the Communications Act of 1934, as amended, of circumstances which would have required an announcement under this section had the consideration been received by such standard broadcast station, an appropriate announcement shall be made by such station.

(d) In the case of any political program or any program involving the discussion of public controversial issues for which any records, transcriptions, talent, scripts, or other material or services of any kind are furnished, either directly or indirectly, to a station as an inducement to the broadcasting of such program, an announcement shall be made both at the beginning and conclusion of such program on which such material or services are used that such records, transcriptions, talent, scripts, or other material or services have been furnished to such station in connection with the broadcasting of such program: *Provided, however*, That only one such announcement need be made in the case of any such program of 5 minutes' duration or less, which announcement may be made either at the beginning or conclusion of the program.

(e) The announcement required by this section shall fully and fairly disclose the true identity of the person or persons by whom or in whose behalf such payment is made or promised, or from whom or in whose behalf such services or other valuable consideration is received, or by whom the material or services referred to in paragraph (d) of this section are furnished. Where an agent or other person contracts or otherwise

¹ F.R. Doc. 53-5051.

makes arrangements with a station on behalf of another, and such fact is known to the station, the announcement shall disclose the identity of the person or persons in whose behalf such agent is acting instead of the name of such agent.

(f) In the case of any program, other than a program advertising commercial products or services, which is sponsored, paid for or furnished, either in whole or in part, or for which material or services referred to in paragraph (d) of this section are furnished, by a corporation, committee, association or other unincorporated group, the announcement required by this section shall disclose the name of such corporation, committee, association or other unincorporated group. In each such case the station shall require that a list of the chief executive officers or members of the executive committee or of the board of directors of the corporation, committee, association or other unincorporated group shall be made available for public inspection at the studios or general offices of one of the standard broadcast stations carrying the program in each community in which the program is broadcast.

(g) In the case of broadcast matter advertising commercial products or services, an announcement stating the sponsor's corporate or trade name, or the name of the sponsor's product, when it is clear that the mention of the name of the product constitutes a sponsorship identification, shall be deemed sufficient for the purposes of this section and only one such announcement need be made at any time during the course of the program.

(h) Commission interpretations in connection with the foregoing rules may be found in the Commission's Public Notice entitled "Applicability or Sponsorship Identification Rules" and such supplements thereto are issued from time to time.

Sections 3.289 (FM broadcast stations), 3.654 (television broadcast stations) and 3.789 (international broadcast stations) contain the same provisions as § 3.119, above. Section 3.654 contains the following additional subsection:

(e) The announcements required by section 317(b) of the Communications Act of 1934, as amended, are waived with respect to feature motion picture films produced initially and primarily for theatre exhibition.

Note: The waiver heretofore granted by the Commission in its Report and Order of November 21, 1960 (FCC 60-1389), continues to apply to programs filmed or recorded on or before June 20, 1963.

The following are illustrative interpretations of section 317 and the Commission's rules. Interpretations 1 to 27, inclusive are incorporated without change from House Report 1800 (86th Congress, 2d Session):

A. Free records.¹

1. A record distributor furnishes copies of records to a broadcast station or a disc jockey for broadcast purposes. No announcement is required unless the supplier furnished more copies of a particular recording than are needed for broadcast purposes. Thus, should the record supplier furnish 50 or 100 copies of the same release, with an agreement by the station, express or implied, that the record will be used on a broadcast, an

announcement would be required because consideration beyond the matter used on the broadcast was received.

2. An announcement would be required for the same reason if the payment to the station or disc jockey were in the form of cash or other property, including stock.

3. Several distributors supply a new station, or a station which has changed its program format (e.g. from "rock and roll" to "popular" music), with a substantial number of different releases.² No announcement is required under section 317 where the records are furnished for broadcast purposes only; nor should the public interest require an announcement in these circumstances. The station would have received the same material over a period of time had it previously been on the air or followed this program format.

4. Records are furnished to a station or disc jockey in consideration for the special plugging of the record supplier or performing talent beyond an identification reasonably related to the use of the record on the program. If the disc jockey were to state: "This is my favorite new record, and sure to become a hit; so don't overlook it," and it is understood that some such statement will be made in return for the record and this is not the type of statement which would have been made absent such an understanding, and the supplying of the record free of charge, an announcement would be required since it does not appear that in those circumstances the identification is reasonably related to the use of the record on that program. On the other hand, if a disc jockey, in playing a record, states: "Listen to this latest release of performer 'X', a new singing sensation," and such matter is customarily interpolated in the disc jockey's program format and would be included whether or not the particular record had been purchased by the station or furnished to it free of charge, it would appear that the identification by the disc jockey is reasonably related to the use of the record on that particular program and there would be no announcement required.

B. Where payment in any form other than the matter used on or in connection with the broadcast is made to the station or to anyone engaged in the selection of program matter.

5. A department store owner pays an employee of a producer to cause to be mentioned on a program the name of the department store. An announcement is required.

6. An airline pays a station to insert in a program a mention of the airline. An announcement is required.

7. A perfume manufacturer gives five dozen bottles to the producer of a giveaway show, some of which are to be identified and awarded to winners on the show, the remainder to be retained by the producer. An announcement is required since those bottles of perfume retained by the producer constitute payment for the identification.

8. An automobile dealer furnishes a station with a new car, not for broadcast use, in return for broadcast mentions. An announcement is required; the car constituting payment for the mentions.

9. A Cadillac is given to an announcer for his own use in return for a mention on the air of a product of the donor. An announcement is required since there has been a payment for a broadcast mention.

² A question has been raised with respect to a situation where a distributor furnishes to a station free of charge an entire music library with the understanding, express or implied, that only its records would be played on the station. To the extent that such an arrangement may run afoul of the antitrust laws or may constitute an abdication by the station of its licensee responsibility, an announcement under section 317 would not cure it.

C. Where service or property is furnished free for use on or in connection with a program, but where there is neither payment in consideration for broadcast exposure of the service or property, nor an agreement for identification of such service or property beyond its mere use on the program * * *.

10. Free books or theater tickets are furnished to a book or dramatic critic of a station. The books or plays are reviewed on the air. No announcement is required. On the other hand, if 40 tickets are given to the station with the understanding, express or implied, that the play would be reviewed on the air, an announcement would be required because there has been a payment beyond the furnishing of a property or service for use on or in connection with a broadcast.

11. News releases are furnished to a station by Government, business, labor and civic organizations, and private persons, with respect to their activities, and editorial comment therefrom is used on a program. No announcement is required.

12. A Government department furnishes air transportation to radio newscasters so they may accompany a foreign dignitary on his travels throughout the country. No announcement is required.

13. A municipality provides street signs and disposal containers for use as props on a program. No announcement is required.

14. A hotel permits a program to originate on its premises. No announcement is required. If, however, in return for the use of the premises, the producer agrees to mention the hotel in a manner not reasonably related to the use made of the hotel on that particular program, an announcement would be required.

15. A refrigerator is furnished for use as part of the backdrop in a kitchen scene of a dramatic show. No announcement is required.

16. A Coca-Cola distributor furnishes a Coca-Cola dispenser for use as a prop in a drugstore scene. No announcement is required.

17. An automobile manufacturer furnishes his identifiable current model car for use in a mystery program, and it is used by a detective to chase a villain. No announcement is required. If it is understood, however, that the producer may keep the car for his personal use, an announcement would be required. Similarly, an announcement would be required if the car is loaned in exchange for a mention on the program beyond that reasonably related to its use, such as the villain saying: "If you hadn't had that speedy Chrysler, you never would have caught me."

18. A private zoo furnishes animals for use on a children's program. No announcement is required.

19. A university makes one of its professors available to give lectures in an educational program series. No announcement is required.

20. A well-known performer appears as a guest artist on a program at union scale because the performer likes the show, although the performer normally commands a much higher fee. No announcement is required.

21. An athletic event promoter permits broadcast coverage of the event. No announcement is required in absence of other payment by the promoter or agreement to identify in a manner not reasonably related to the broadcast of the event.

D. Where service or property is furnished free for use on or in connection with a program, with the agreement, express or implied, that there will be an identification beyond mere use of the service or property on the program.³

³ Of course, in all these cases, if there is payment to the station or production personnel in consideration for the exposure, an announcement is required.

¹ In view of the attention which has been given to the problem of free records, they are treated herein as a special category. It should be noted, however, that the same principles apply to records as to other property or services furnished for use on or in connection with a broadcast.

22. A refrigerator is furnished by X with the understanding that it will be used in a kitchen scene on a dramatic show and that the brand name will be mentioned. During the course of the program the actress says: "Donald go get the meat from my new X refrigerator." An announcement is required because the identification by brand name is not reasonably related to the particular use of such refrigerator in this dramatic program.

23. (a) A refrigerator is furnished by X for use as a prize on a giveaway show, with the understanding that a brand identification will be made at the time of the award. In the presentation, the master of ceremonies briefly mentions the brand name of the refrigerator, its cubic content, and such other features as serve to indicate the magnitude of the prize. No announcement is required because such identification is reasonably related to the use of the refrigerator on a giveaway show in which the costly or special nature of the prizes is an important feature of this type of program.

(b) In addition to the identification given in (a) above, the master of ceremonies says: "All you ladies sitting there at home should have one of these refrigerators in your kitchen," or "Ladies, you ought to go out and get one of these refrigerators." An announcement is required because each of these statements is a sales "pitch" not reasonably related to the giving away of the refrigerator on this type of program.

The significance of the distinction between the identification in (a) and that in (b) is, that in (a) it is no more than the natural identification which a broadcaster would give to a refrigerator as a prize if he had purchased the refrigerator himself and had no understanding whatever with the manufacturer as to any identification. That is to say, in situation (a), had the broadcaster purchased the refrigerator he would have felt it necessary, in view of the nature of the show, adequately to describe the magnitude of the prize which was being given to the winner. On the other hand, the broadcaster would not, where he had purchased the refrigerator, have made the type of identification in situation (b), thus providing a free sales "pitch" for the manufacturer.

24. (a) An airplane manufacturer furnishes free transportation to a cast on its new jet model to a remote site, and the arrival of the cast at the site is shown as part of the program. The name of the manufacturer is identifiable on the fuselage of the plane in the shots taken. No announcement is required because in this instance such identification is reasonably related to the use of the service on the program.

(b) Same situation as in (a), except that after the cameraman has made the foregoing shots he takes an extra closeup of the identification insignia. An announcement is required because the closeup is not reasonably related to the use of the service on the program.

25. (a) A station produces a public service documentary showing development of irrigation projects. Brand X tractors are furnished for use on the program. The tractors are shown in a manner not resulting in identification of the brand of tractors except as may be recognized from the shape or appearance of the tractors. No announcement is required since the identification is reasonably related to the use of the tractors on the program.

(b) Same situation as in (a), except that the brand name of the tractor is visible as it appears normally on the tractor. No announcement is required for the same reason.

(c) Same situation as in (b), except that a closeup showing the brand name in a manner not required in the nature of the program is included in the program, or an actor states: "This is the best tractor on the market." An announcement is required as

this identification is beyond that which is reasonably related to the use of the tractor on the program.

26. (a) A bus company prepares a scenic travel film which it furnishes free to broadcast stations. No mention is made in the film of the company or its buses. No announcement is required because there is no payment other than the matter furnished for broadcast and there is no mention of the bus company.

(b) Same situation as in (a), except that a bus, clearly identifiable as that of the bus company which supplied the film, is shown fleetingly in highway views in a manner reasonably related to that travel program. No announcement is required.

(c) Same situation as in (a), except that the bus, clearly identifiable as that of the bus company which supplied the film, is shown to an extent disproportionate to the subject matter of the film. An announcement is required, because in this case by the use of the film the broadcaster has impliedly agreed to broadcast an identification beyond that reasonably related to the subject matter of the film.

27. (a) A manufacturer furnishes a grand piano for use on a concert program. The manufacturer insists that enlarged insignia of its brand name be affixed over normal insignia on the piano. An announcement is required if an enlarged brand name is shown.

(b) Conversely, if the piano furnished has normal insignia and during the course of the televised concert the broadcast includes occasional closeups of the pianist's hands, no announcement is required even though all or part of the insignia appears in these closeups. Here the identification of the brand name is reasonably related to the use of the piano by the pianist on the program. However, if undue attention is given the insignia rather than the pianist's hands, an announcement would be required.

28. (a) An automobile manufacturer or dealer furnishes to a producer of television programs a number of automobiles with the understanding that the producer will use them, or some of them, in some of his programs which call for the use of automobiles; and that the automobiles may be used for other business purposes in connection with the production of the programs, such as transporting the cast, crew, equipment and supplies from location to location or transporting executive personnel to business meetings in connection with the production of the programs. There is no understanding that there will be any identification on the television programs beyond an identification which is reasonably related to the use of the automobiles on the programs. No other consideration is involved. Under such uses, no announcement is required.

(b) If, in addition to the facts stated in (a), it is understood between the producer and the supplier that one or more of the automobiles may be, and they are, used for other purposes not related to the production of the program, an announcement is required.

29. (a) A hotel permits a program to originate from its premises and furnishes hotel services, such as room and board, for cast, production and technical staff, and also furnishes other elements for use in connection with the programs to be broadcast, such as electricity and cable connections, free of charge, and with no other consideration. There is no understanding that there will be an identification of the hotel on the program beyond that reasonably related to the use made of the hotel on the program. No announcement is required.

(b) If the hotel pays money or furnishes free or at a nominal charge any services or items which are not for use on or in connection with the program (e.g., furnishing free or at a nominal charge room and board

for the producer for any period of time not related to the production of the program at the hotel site), an announcement is required.

E. Effective date.

30. Does section 317 as amended on September 13, 1960 apply to programs or portions of programs produced or recorded prior to September 13, 1960?

No, unless valuable consideration was provided to a broadcast station (rather than to a producer or other person) for the broadcast of the program or the inclusion of any program matter therein and the program was broadcast after said date.

F. Nature of the announcement.

31. A station broadcasts spot announcements which solicit mail orders from listeners. The sponsor is merely referred to in the announcements and in the mail order address as "Flower Seeds" or "Real Estate" or "the Record Man." Such a reference to the sponsor of the announcements is insufficient to constitute compliance with the Commission's sponsorship identification Rules because it is limited to a description of the product or service being advertised. The announcement requirement contemplates the explicit identification of the name of the manufacturer or seller of goods, or the generally known trade or brand name of the goods sold. (See Commission Notice entitled "Sponsor Identification on Broadcast Station," FCC 50-1207, 6 R.R. 835.)

32. A station broadcasts "Teaser" announcements utilizing catch words, slogans, symbols, etc., designed to arouse the curiosity of the public by telling it that something is "coming soon." The sponsor of the announcements is not named therein, nor is any generally known trade or brand name given, but it is the intention of the station and the advertiser to inaugurate at a later date a series of conventional spot announcements at the conclusion of the "teaser" campaign. Announcements of this type do not comply with the Commission's sponsorship identification rules. All commercial matter must contain an explicit identification of the advertiser or the generally known trade or brand name of the goods being advertised. (See Memorandum Opinion and Order In the Matter of Amendment of § 3.119(e) of the Commission's Rules, FCC 59-939, 18 R.R. 1860.)

33. A station carries an announcement (or program) on behalf of a candidate for public office or on behalf of the proponents or opponents of a bond issue (or any other public controversial issue). At the conclusion thereof, the station broadcasts a "disclaimer" or states that "the preceding was a paid political announcement." Such announcements per se do not demonstrate compliance with the sponsorship identification rules. The Rules do not provide that either of the above-mentioned types of announcements must be made, but they do provide in such situations that an identification be broadcast which will fully and fairly disclose the true identity of the person or persons by whom or in whose behalf payment was made. If payment is made by an agent, and the station has knowledge thereof, the announcement shall identify the person in whose behalf such agent is acting. If the sponsor is a corporation, committee, association or other group, the required announcement shall contain the name of such group; moreover, the station broadcasting any matter on behalf of such group shall require that a list of the chief officers, members of the executive committee or members of the board of directors of the sponsoring organization be made available upon demand for public inspection at the studios or general offices of one of the stations in each community in which the program is broadcast. In the event of a network originated broadcast, the records required by the Commission's rules shall be made available upon

demand for public inspection at the studios of general offices of the originating station.

34. Must the required sponsorship announcement on television broadcasts be made by visual means in order for it to be an "appropriate announcement" within the meaning of the Commission's rules?

Not necessarily. The Commission's rule does not contain any provision stating whether aural or visual or both types of announcements are required. The purpose of the rule is to provide a full and fair disclosure of the facts of sponsorship, and responsibility for determining whether a visual or aural announcement is appropriate lies with the licensee. (See Commission telegram to Mr. Bert Combs, FCC Public Notice of April 9, 1959, Mimeo No. 71945.)

G. Controversial Issues.

35. (a) A trade association furnishes a television station with kinescope recordings of a Senate committee hearing on labor relations. The subject of the kinescope is a strike being conducted by a labor union. The station broadcasts the kinescope on a "sustaining" basis but does not announce the supplier of the film. The failure to make an appropriate announcement as to the party supplying the film is a violation of the Commission's sponsorship identification rules dealing with the presentation of program matter involving controversial issues of public importance. Moreover, the Commission requires that a licensee exercise due diligence in ascertaining the identity of the supplier of such program matter. An alert licensee should be on notice that expensive kinescope prints dealing with controversial issues are being paid for by someone and must make inquiry to determine the source of the films in order to make the required announcement. (See KSTP, Inc., 17 R.R. 553 and Storer Broadcasting Co., 17 R.R. 556a.) A station which has ascertained the source of kinescopes is under an additional obligation to supply such information to any other station to which it furnishes the program.

(b) Same situation as above, except that the time for the program is sold to a sponsor (not the supplier of the film) and contains proper identification of the advertiser purchasing the program time. An additional announcement as to the supplier of the films is still required, for the reasons set forth above.

(c) Same situation as in (a) or (b), above, except that only excerpts from the film are used by a station in its news programs. An announcement as to the source of the films is required. (See Westinghouse Broadcasting Co., 17 R.R. 556d.)

36. A church group plans to film the proceedings of its national convention and distribute film clips "dealing with numerous matters of profound importance to members of (its) faith" in order to "disseminate to the American people information concerning its objectives and programs." The groups request a general waiver under section 317 (d) of the Communications Act so that it need not "waste" any of the short periods of broadcast time donated to it by making sponsorship identification announcements. In the below-cited case, the Commission did not grant such a waiver because of the absence of information indicating that the subject matter of the clips was not controversial and because the alleged "loss" of a few seconds of air time was not of decisional significance vis-a-vis Congressional and Commission policy relating to issues of public importance. (See Petition of National Council of Churches of Christ, FCC 60-1418.)

Adopted: May 1, 1963.

FEDERAL COMMUNICATIONS
COMMISSION,
BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 63-5050; Filed, May 9, 1963;
8:50 a.m.]

[Docket No. 14817; FCC 63M-523]

DENVER AREA BROADCASTERS (KDAB)

Order Continuing Hearing

In re application of Frances C. Gauguine and Bernice Schwartz, d/b as Denver Area Broadcasters (KDAB), Arvada, Colorado, Docket No. 14817, File No. BMP-9769; for construction permit.

A prehearing conference having been held herein on May 2, 1963, and certain agreements having been reached between counsel and the Hearing Examiner;

It is ordered, This 3d day of May 1963, that the hearing herein heretofore scheduled to commence on May 20, 1963, is continued to May 21, 1963, commencing at 10 a.m. in the offices of the Commission at Washington, D.C.

Released: May 6, 1963.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 63-5052; Filed, May 9, 1963;
8:50 a.m.]

[Docket No. 15064; FCC 63-403]

EASTSIDE BROADCASTING CO.

Order Designating Application for Hearing on Stated Issues

In re application of L. N. Ostrander and G. A. Wilson, d/b as Eastside Broadcasting Company, Phoenix, Arizona, Docket No. 15064, File No. BP-15022; Requests: 1540 kc, 10 kw, DA, Day, Class II, for construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 1st day of May 1963;

The Commission having under consideration the above-captioned and described application;

It appearing, that, except as indicated by the issues specified below, the applicant is legally, technically, financially, and otherwise qualified to construct and operate as proposed; and

It further appearing, that the following matters are to be considered in connection with the aforementioned issues specified below:

1. The proposal will involve mutual interference with Station KFIF, Tucson, Arizona. By petition filed October 18, 1961, the licensee of Station KFIF objected to the proposed operation and requested that the application be designated for hearing with the licensee of KFIF a party to the proceeding.

2. According to data submitted by the applicant, and based upon Figure M-3 conductivities, the proposed 25 mv/m contour is separated from the 25 mv/m contour of KALF by less than 1 mile. As a result, it is necessary that field pertinent directions from the proposed intensity measurement data be made in site and from KALF to establish whether or not the 25 mv/m contours would overlap in contravention of § 3.37 of the Commission rules.

It further appearing, that, in view of the foregoing, the Commission is unable to make the statutory finding that a grant of the subject application would serve the public interest, convenience, and necessity, and is of the opinion that the application must be designated for hearing on the issues set forth below:

It is ordered, That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the application is designated for hearing, at a time and place to be specified in a subsequent Order, upon the following issues:

1. To determine the areas and populations which would receive primary service from the proposed operation of the Eastside Broadcasting Company and the availability of other primary service to such areas and populations.

2. To determine whether the proposed operation would cause objectionable interference to Station KFIF, Tucson, Arizona, or any other existing standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

3. To determine whether the 25 mv/m contour of the proposed operation and the 25 mv/m contour of Station KALF, Mesa, Arizona would overlap in contravention of § 3.37 of the Commission rules, and, if so, whether circumstances exist which would warrant a waiver of said section.

4. To determine, in the light of the evidence adduced pursuant to the foregoing issues, whether a grant of the application would serve the public interest, convenience and necessity.

It is further ordered, That Maricopa County Broadcasters, Inc., and Southwest Broadcasting Company, licensees of Stations KALF and KFIF, respectively, are made parties to the proceeding.

It is further ordered, That, sufficient field intensity measurement data, made and analyzed according to the Commission's rules, must be submitted, taken from the site proposed by Eastside Broadcasting Company and Station KALF, to determine whether the proposed 25 mv/m contours of Eastside Broadcasting Company and Maricopa County Broadcasters, Inc. would overlap in violation of § 3.37 of the rules.

It is further ordered, That, to avail themselves of the opportunity to be heard, the applicant and parties respondent herein, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this Order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this Order.

It is further ordered, That the applicant herein shall, pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.362(b) of the Commission's rules, give notice of the hearing, within the time and in the manner prescribed in such rule, and shall advise the Commission of the pub-

lication of such notice as required by § 1.362(h) of the rules.

Released: May 3, 1963.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 63-5053; Filed, May 9, 1963;
8:50 a.m.]

[Docket No. 15021; FCC 63M-524]

HOUSTON COUNTY TELEPHONE CO., INC.

Order Continuing Hearing

In re application of Houston County Telephone Company, Inc., Docket No. 15021, File No. 1361-C1-P-63; for a construction permit to establish facilities in the Domestic Public Point-to-Point Microwave Radio Service near Dodge, Texas.

The Hearing Examiner having under consideration an unopposed motion dated May 3, 1963, by the applicant for a continuance of the prehearing conference, presently scheduled for May 6, until July 12, and of the hearing from May 13 until July 15;

It appearing, that the continuance is required primarily in order to afford the applicant a reasonable opportunity to submit technical amendments to its application so as to enable it to extend its proposed service to a public subscriber (i.e., one unconnected in any way with the applicant) which has requested that applicant furnish it microwave television signals from applicant's proposed microwave system;

It appearing further, that applicant intends, if its projected amendment is accepted, to request reconsideration and grant without hearing on the basis that the issues will then be moot; that Common Carrier Bureau Counsel has informed the moving party that the Bureau, the only other party to this proceeding, has no objection to grant of the requested continuance; and that while sufficient showing of "good cause" has therefore been made to warrant granting the relief sought it is believed that deadlines ought to be established for the filing of the papers the moving party mentions in its motion papers as the basis for its request:

It is ordered, This 3d day of May 1963, that the "Motion for Continuance" of Houston County Telephone Company, Inc. is hereby granted; that the prehearing conference presently scheduled for May 6 is postponed until 9 a.m., Friday, July 12, 1963, at the Commission's offices, Washington, D.C. and the hearing presently scheduled for May 13 is continued to Monday, July 15, 1963, at 10 a.m.:

It is ordered further, On the Hearing Examiner's own motion, that the petition for leave to amend together with the amendment, complete and accurate in all respects, to which the moving party has referred in the motion papers, shall be filed not later than May 27, 1963, and the petition for reconsideration and grant without hearing mentioned there-

in shall be filed not later than 10 consecutive business days after date of release of the Examiner's ruling on the petition to amend:

It is ordered further, On the Hearing Examiner's own motion, that in absence of clear justification set forth beforehand in a filed pleading, if applicant should fail to comply with the aforesaid deadlines the present order will be subject to being revoked on the Hearing Examiner's own motion with the case being set down for hearing forthwith.

Released: May 6, 1963.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 63-5054; Filed, May 9, 1963;
8:50 a.m.]

[Docket No. 14816 etc.; FCC 63M-528]

CHARLES W. STONE (KCHY) ET AL.

Order Continuing Prehearing Conference

In re applications of Charles W. Stone (KCHY), Cheyenne, Wyoming, Docket No. 14816, File No. BP-15080; for construction permit; Charles W. Stone and Josephine R. Stone, joint tenants d/b as Fort Broadcasting Co., Fort Bragg, California, Docket No. 15023, File No. BR-2649; for renewal of license of Station KDAC, Fort Bragg, California; Charles W. Stone, Cheyenne, Wyoming, Docket No. 15024, File No. BR-3796; for renewal of license of Station KCHY, Cheyenne, Wyoming.

The Hearing Examiner having under consideration the informal request of the Broadcast Bureau for a continuance of the prehearing conference presently scheduled for May 8, 1963, and the statement of the Bureau that the applicant has authorized that the request be treated as a joint request:

It is ordered, This 6th day of May 1963, that the prehearing conference presently scheduled for May 8, 1963, is continued to May 15, 1963, commencing at 9 a.m. in the offices of the Commission at Washington, D.C.

Released: May 6, 1963.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 63-5055; Filed, May 9, 1963;
8:50 a.m.]

FEDERAL MARITIME COMMISSION LEEWARD AND WINDWARD ISLANDS AND GUIANAS CONFERENCE

Notice of Filing of Agreement

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733; 75 Stat. 763; 46 U.S.C. 814):

Agreement 7540-9, between the member lines of the Leeward and Windward

Islands and Guianas Conference which covers the trade between U.S. Atlantic and Gulf ports and ports in the Virgin Islands, Leeward and Windward Islands, Trinidad, Barbados, British, French and Netherlands Guianas, modifies the basic Agreement (7540, as amended) to specifically provide that bananas and plantains shall not be considered as being within the scope of this agreement.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Foreign Regulation, Federal Maritime Commission, Washington, D.C., or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington 25, D.C., within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: May 7, 1963.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 63-5019; Filed, May 9, 1963;
8:47 a.m.]

TRANSOCEANIC SHIPPING CO. ET AL.

Notice of Agreements Filed for Approval

Notice is hereby given that the following agreements have been filed with the Federal Maritime Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended. All parties involved were registered under our former General Order 72, have applied for licenses pursuant to section 44 of the Shipping Act, 1916, and are therefore eligible to operate as independent ocean freight forwarders.

Transoceanic Shipping Co. of New Orleans, La., is party to the following agreements, the terms of which are identical. The other parties are:

Dorf International, Inc., Philadelphia, Pa. FF-111
Charles D. Sclaroni & Co., San Francisco, Calif. FF-112

They are nonexclusive, cooperative working arrangements under which the parties perform freight forwarding services for each other, dividing forwarding fees and ocean freight brokerage as agreed.

J. P. Hale Forwarding Co., Houston, Tex., is a party to the following agreements, the terms of which are identical. The other parties are:

Charles Kurz Co., Philadelphia, Pa. FF-113
Pace Shipping Co., Inc., New York, N.Y. FF-114

They are nonexclusive, cooperative working arrangements under which the parties may perform freight forwarding services for each other, dividing forwarding fees and ocean freight brokerage as agreed.

The terms of the following agreements are similar.

John H. Faunce New York, Inc., New York, N.Y., and Loretz & Co., San Francisco, Calif.	FF-109
Henry A. Wess, Inc., Cincinnati, Ohio, and Globe Shipping Co., New York, N.Y.	FF-45
Silvey Shipping Co., Inc., New York, N.Y.	9065
W. R. Zanes & Co. of Louisiana, Inc., New Orleans, La.	9065

They are nonexclusive, cooperative working arrangements under which the parties may perform forwarding services for each other, dividing ocean freight brokerage as agreed. Forwarding and service fees are to be divided as agreed on each shipment.

Agreement No. FF-110 between Globe Shipping Co., Inc., New York, N.Y., and International Traffic Co., Los Angeles, Calif., is a nonexclusive, cooperative working arrangement under which the parties may perform freight forwarder services for each other, dividing fees for forwarding services as agreed on each transaction. Compensation received from ocean carriers shall be divided by the parties equally (50 percent/50 percent).

Agreement No. FF-108 between Wilk Forwarding Co., Jacksonville, Fla., and Major Forwarding Co., Inc., New York, N.Y., is a nonexclusive, cooperative working arrangement under which Major Forwarding Co., Inc. agrees to pay Wilk Forwarding Co. \$3.00 for completing an export declaration on shipments loaded at Jacksonville, Fla., or Kings Bay, Ga., stipulating that the minimum charge would be not less than \$5.00 at Kings Bay if only one declaration is passed for one vessel. Major Forwarding Co., Inc., will arrange for shipping space, prepare customs declaration and bill of lading in blank.

Interested persons may inspect these agreements and obtain copies thereof at the Bureau of Domestic Regulation, Federal Maritime Commission, Washington, D.C., or at the Commission's field offices at:

45 Broadway,
New York 4, N.Y.

180 New Montgomery Street,
San Francisco, Calif.

Room 333, Federal Office Building South,
600 South Street,
New Orleans 12, La.

Mail address:
P.O. Box 30550,
Lafayette Station,
New Orleans 30, La.

They may submit to the Secretary, Federal Maritime Commission, Washington, D.C., within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: May 7, 1963.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 63-5020; Filed, May 9, 1963;
8:47 a.m.]

ROYAL MAIL LINES LTD. AND N.V. NEDERLANDSCH-AMERIKAANSCH STOOMVAART-MAATSCHAPPIJ (HOLLAND AMERICA LINE)

Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733; 75 Stat. 763; 46 U.S.C. 814):

Agreement 7765-3, between Royal Mail Lines Limited and N.V. Nederlandsch-Amerikaansche Stoomvaart-Maatschappij (Holland America Line) modifies an approved sailing and pooling arrangement between these carriers in the trades between U.S. Pacific Coast ports and ports of the United Kingdom, Continental Europe, the Caribbean Sea and the West Coast of South and Central America.

The agreement provides that the parties shall operate as a joint service in all trades to and from U.S. Pacific Coast ports in which they may from time to time participate and that in all such trades in which the parties do not maintain conference membership they shall agree upon the rates of freight charged and related terms and conditions of carriage.

Interested parties may inspect this agreement and obtain copies thereof at the Bureau of Foreign Regulation, Federal Maritime Commission, Washington, D.C., or may inspect a copy at the offices of the District Managers of the Commission in New York, N.Y., New Orleans, La., and San Francisco, Calif., and may submit to the Secretary, Federal Maritime Commission, Washington 25, D.C., within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: May 7, 1963.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 63-5018; Filed, May 9, 1963;
8:46 a.m.]

FEDERAL POWER COMMISSION

[Docket No. RP63-5]

LYNCHBURG GAS CO. AND ATLANTIC SEABOARD CORP.

Order Convening a Hearing, Designating Presiding Examiner and Fixing Date for Pre-Hearing Conference

MAY 3, 1963.

On January 11, 1963, Lynchburg Gas Company filed with the Commission a formal complaint against one of its pipeline suppliers, Atlantic Seaboard Corporation. Lynchburg contends that beginning in the early fall of 1962, Seaboard made an unlawful alteration in its filed

Authorized Over-run Service (AOS) tariff by refusing to make deliveries of over-run gas to Lynchburg although, in Lynchburg's opinion, Atlantic Seaboard had available sufficient gas and pipeline capacity to do so on the particular days requested. Lynchburg alleges that Seaboard's refusals to render over-run service have forced it to make excessive curtailments of industrial sales "with consequent material loss of revenue."

In an answer filed on February 11, 1963, Seaboard states that, upon a review of its operating practices, it came to the conclusion that "AOS gas was being requested and being granted under conditions not contemplated by the schedule." Seaboard states that as a consequence of this it has adopted as "explicit operational guide" which provides that AOS gas is available for unforeseen contingencies or emergencies but not as a substitute for regular planned sources" and which directs its dispatchers not to authorize over-runs without evidence of such unforeseen contingency or emergency. This policy, contends Seaboard, represents the proper interpretation of the filed AOS tariff, especially in the light of a Commission decision on the availability of gas under an affiliated company's over-run tariff. United Fuel Gas Company, 19 FPC 300. Seaboard concludes with a request that the complaint be dismissed without further proceedings for failure to state a claim upon which relief can lawfully be granted.

In a reply submitted on February 23, 1963, Lynchburg alleges that for a period of five years Seaboard made over-run deliveries to Lynchburg even though its dispatchers were fully aware that no emergency existed; and Lynchburg states that it has justifiably relied on this practice. Lynchburg also distinguishes the United Fuel case upon which Seaboard relies.

Upon consideration of the complaint and answer, and of Lynchburg's reply, the Commission is of the view that further proceedings are necessary for the proper resolution of the issues raised by Lynchburg's complaint. It appears that the complaint raises two basic issues; namely, whether Seaboard's announced policy on rendering over-run service constitutes a departure from the terms of the filed AOS tariff; and, second, if the present Seaboard practice is in accord with the tariff, whether the terms of that tariff are just and reasonable and not unduly discriminatory?

While the complaint in this matter cannot be disposed of on the pleadings, it does not seem necessary at this time to fix dates for the filing of prepared testimony and exhibits by the complainant, respondent, staff, and any possible intervenors. Examination of the pleadings tends to suggest that the issues here are primarily matters of law or general Commission policy and that there will be few disputed questions of fact or expert opinion. Accordingly the most appropriate course would be to provide for the convening of a prehearing conference, the goal of which would be the preparation of a stipulation of all the relevant facts and scheduling of briefs on the legal issues. Should this prove to be impossible, the Presiding Examiner

shall provide for service of evidence, set a date for hearing on this matter and issue such further procedural orders as may be appropriate in accordance with § 1.18 of the Commission's rules of practice and procedure.

The Commission orders:

(A) A hearing under the procedures set forth above, shall be held on the issues raised in Lynchburg's complaint regarding Seaboard's operations under the authorized over-run service tariff.

(B) Presiding Examiner Howell Purdue or any other officer or officers of the Commission designated by the Chief Examiner for that purpose, shall preside at the conference and at the hearing of this matter, pursuant to the Commission's rules of practice and procedure.

(C) Without limitation on the authority of the Examiner to convene conferences prior to, or subsequent to the date herein fixed, pursuant to the provisions of § 1.18 of the Commission's rules of practice and procedure, a conference before the Presiding Examiner herein designated shall commence at 10:00 a.m., e.d.t., on May 23, 1963, in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., for the purpose of effectuating the intent of the Commission, as set forth above.

(D) Petitions to intervene and notices of intervention may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the Commission's rules of practice and procedure, §§ 1.8 and 1.37(f) (18 CFR 1.8 and 1.37 (f)) on or before May 14, 1963.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5040; Filed, May 9, 1963;
8:48 a.m.]

[Docket No. RP63-12]

KENTUCKY WEST VIRGINIA GAS CO.

Notice of Revision of FPC Gas Tariff

MAY 3, 1963.

Take notice pursuant to § 2.59(a) of the general rules of the Federal Power Commission as amended by Order No. 257, issued November 6, 1962 (27 F.R. 11001, 18 CFR 2.59(a)), that on April 30, 1963, Kentucky West Virginia Gas Company filed a proposed revision to its FPC Gas Tariff under the provisions of section 4(e) of the Natural Gas Act, to become effective on June 1, 1963. The proposed revision reflects increased rates and charges to Kentucky West Virginia's two jurisdictional customers, Equitable Gas Company and Kentucky Gas Transmission Corporation. The rates and charges herein proposed, as applied to the volumes of gas involved, would amount to an increase of approximately \$479,028 annually over the presently effective rates. Protests, petitions to intervene, or notices of intervention may be filed with the Federal Power Commission, Washington 25, D.C., pursuant to

the Commission's rules of practice and procedure on or before May 22, 1963.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5041; Filed, May 9, 1963;
8:48 a.m.]

[Docket No. CP63-258]

MOUNTAIN FUEL SUPPLY CO.

Notice of Application and Date of Hearing

MAY 3, 1963.

Take notice that on March 18, 1963, Mountain Fuel Supply Company (Applicant), 180 East First South Street, Salt Lake City 10, Utah, filed in Docket No. CP63-258 an application pursuant to section 7(c) of the Natural Gas Act for a certificate of public convenience and necessity authorizing the construction and operation of certain facilities to increase Applicant's delivery capacity, all as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to construct and operate:

(1) 19 miles of 24-inch pipeline from Mountain Dell to Wanship, Utah, replacing a portion of the present 16-inch pipeline;

(2) A two-unit 1,760 horsepower compressor station at Kanda Junction, Wyoming;

(3) 3.7 miles of 24-inch pipeline in Weber Canyon, Utah, replacing and relocating a portion of the present 14-inch pipeline;

(4) 10.9 miles of 20-inch pipeline to further extend the existing 20-inch loop line toward Eakin Compressor Station, Wyoming, and,

(5) 2 miles of 8½-inch pipeline relocating existing 8½-inch pipeline to accomplish the relocation of Kanda Junction 1.5 miles eastward at a more suitable point.

Applicant states that the proposed facilities are required to meet its increased firm peak load requirements anticipated for the 1963-64 winter season due to growth within its present service area.

Applicant estimates the cost of the proposed facilities to be approximately \$4,150,000, which cost will be financed out of funds on hand and short-term bank loans as may be required.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on June 6, 1963, at 9:30 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such application: *Provided, however*, that the Commission

may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before May 28, 1963. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5042; Filed, May 9, 1963;
8:48 a.m.]

[Project No. 2106]

PACIFIC GAS AND ELECTRIC CO.

Modification of Notice of Land Withdrawal; California

In the matter of the McCloud-Pit and Pit Nos. 6 and 7 developments, Pacific Gas and Electric Company, Project No. 2106.

By letter of June 24, 1952, to the Director, Bureau of Land Management, this Commission gave notice of the reservation of approximately 156.88 acres of United States lands pursuant to the filing of a completed application for license for Project No. 2104 (Pit No. 6) by the Pacific Gas and Electric Company on April 16, 1952.

By letter of June 25, 1952, to the Director, Bureau of Land Management, this Commission gave notice of the reservation of approximately 2,848.97 acres of United States lands pursuant to the filing of an application for preliminary permit for Project No. 2106 (McCloud Project) by the Pacific Gas and Electric Company on April 30, 1952.

By withdrawal notification of March 2, 1956, published in 21 F.R. 1497, dated March 8, 1956, this Commission gave notice of the reservation of approximately 2,000 acres of United States lands pursuant to the filing of a completed amended application for license for Project No. 2137 (Pit No. 7) by the Pacific Gas and Electric Company on October 13, 1954.

By Commission Order of August 18, 1961, the applicant for these 3 developments, designated as Project Nos. 2104, 2106, and 2137 (McCloud-Pit, and Pit Nos. 6 and 7 developments) was directed to consolidate (integrate hydraulically and electrically and operate the three proposed developments as a single project) and the projects were, thereby, placed under a single license designated as Project No. 2106.

On December 11, 1962, the licensee completed the filing of an application for amendment of license to eliminate the Hawkins Creek development and realign

the McCloud-Pit development's tunnel, tailrace, penstock, powerhouse, etc.

Therefore, in accordance with section 24 of the Federal Power Act of June 10, 1920 (41 Stat. 1063), as amended, notice is hereby given that the lands herein-after described, insofar as title thereto remains in the United States are included in power Project No. 2106, as consolidated and licensed by Commission action of August 18, 1961, and as noted in the completed application for amendment of license received in the Commission on December 11, 1962. Under said section 24, these lands are from the date of the above-noted filings reserved from all forms of disposal under the laws of the United States until otherwise directed by the Commission or by the Congress.

All portions of the following described subdivisions lying within the boundaries of Project No. 2106 as delimited on the J and K map exhibits noted in the closing paragraph hereof:

MOUNT DIABLO MERIDIAN, CALIFORNIA
PUBLIC LANDS

- T. 35 N., R. 1 W.,
Sec. 22: NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 28: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$;
Sec. 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 34: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$.
T. 36 N., R. 1 W.,
Sec. 4: NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$;
Sec. 20: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$,
S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 32: E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$.
T. 37 N., R. 1 W.,
Sec. 6: Lot 7;
Sec. 16: SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;
Sec. 18: NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 20: E $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
SW $\frac{1}{4}$;
Sec. 22: S $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$;
Sec. 28: NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$,
SE $\frac{1}{4}$ NW $\frac{1}{4}$.
T. 38 N., R. 2 W.,
Sec. 10: W $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 22: E $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 26: SW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$,
SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 28: NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 36: W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.

ACQUIRED LANDS

- T. 35 N., R. 1 W.,
Sec. 27: W $\frac{1}{2}$ E $\frac{1}{2}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$,
SW $\frac{1}{4}$;
Sec. 31: Lots 7 and 12, S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$,
SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 32: NE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 33: NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$.
This notice supercedes in their entirety the notices of June 24, 1952 (Pit No. 6, Project No. 2104); June 25, 1952 (McCloud Project, Project No. 2106); and March 2, 1956 (Pit No. 7, Project No. 2137).

The area of United States lands withdrawn for Project No. 2106, as described in this modification, is approximately 1,312.27 acres (approximately 311.38 acres of which are acquired lands). Approximately 910.29 acres of these lands have been previously withdrawn by Power Site Classification Nos. 72, 83, or 122; Power Site Reserve Nos. 85 or 704; or Project Nos. 9, 2099, 2104, 2106, or 2137. Approximately 1,014.87 acres fall within the boundaries of the Shasta-Trinity National Forest.

Copies of the following described map exhibits have been transmitted to the Bureau of Land Management, Geological Survey, and Forest Service along with copies of this notification:

McCloud pit development	Date filed in FPC
J exhibit: 2106-20-----	Apr. 2, 1957
K exhibits:	
2106-21-----	Do.
2106-47-----	Dec. 11, 1962
2106-48-----	Do.
2106-49-----	Do.
2106-50-----	Do.
Pit No. 6 development	
J exhibit: 2106-32-----	Apr. 16, 1952
K exhibits:	
2106-33-----	Do.
2106-34-----	Do.
2106-35-----	Do.
Pit No. 7 development	
J exhibit: 2106-38-----	Oct. 13, 1954
K exhibits:	
2106-39-----	Do.
2106-40-----	Do.
2106-41-----	Do.
2106-42-----	Do.
2106-43-----	Do.
2106-44-----	Do.

By direction of the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5021; Filed, May 9, 1963;
8:47 a.m.]

[Docket No. RI63-413]

OIL ASSOCIATES, INC.

Order Providing for Hearing on and
Suspension of Proposed Change in
Rate

MAY 2, 1963.

On April 15, 1963, Oil Associates, Inc. (Oil Associates)¹ tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of Change, dated April 10, 1963.

Purchaser and Producing Area: Texas Eastern Transmission Corp. (West Weesatche Field, Goliad County, Tex.) (Texas Railroad District No. 2).

Rate Schedule Designation: Supplement No. 13 to Oil Associates' FPC Gas Rate Schedule No. 1.

Effective Date: May 16, 1963.²

Amount of Annual Increase: \$422.

Effective Rate: 13.8733 cents per Mcf.³

Proposed Rate: 14.8733 cents per Mcf.⁴

Pressure Base: 14.65 psia.

Oil Associates' proposed periodic rate increase of 14.8733 cents per Mcf is equivalent to a proposed increased rate

¹ Address is: P.O. Box 742, Reading, Pa.

² The stated effective date is the effective date proposed by Respondent.

³ Rate is the result of an offer of settlement which was approved prior to September 28, 1960.

⁴ Rate is equivalent to 14.8733 cents per Mcf when the cost to buyer of 0.5 cents for dehydration and handling is taken into consideration.

of 14.8733 cents per Mcf when the cost to buyer of 0.5 cents for dehydration and handling is taken into consideration and exceeds the applicable area price level for increased rates as set forth in the Commission's Statement of General Policy No. 61-1, as amended (18 CFR, Chapter I, Part 2, § 2.56).

The proposed changed rate and charge may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the proposed change, and that Supplement No. 13 to Oil Associates' FPC Gas Rate Schedule No. 1 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR, Chapter I), a public hearing shall be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 13 to Oil Associates' FPC Gas Rate Schedule No. 1.

(B) Pending such hearing and decision thereon, Supplement No. 13 to Oil Associates' FPC Gas Rate Schedule No. 1 is hereby suspended and the use thereof deferred until October 16, 1963, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before June 17, 1963.

By the Commission. Commissioner O'Connor not participating.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5022; Filed, May 9, 1963;
8:47 a.m.]

[Docket No. G-6284 etc.]

J. M. HUBER CORP. ET AL.

Notice of Postponement of Hearing

MAY 2, 1963.

Take notice that the public hearing heretofore scheduled to be held in Washington, D.C., on May 7, 1963, by notice issued March 29, 1963, and published in the FEDERAL REGISTER on April 4, 1963 (28 F.R. 3295), respecting the applications of J. M. Huber Corporation and others pursuant to section 7(b) of the Natural Gas Act in Docket Nos. G-6284, et al.,

is hereby postponed to a date to be fixed by further notice.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5023; Filed, May 9, 1963;
8:47 a.m.]

[Docket No. G-14194 etc.]

TEXACO INC.

Order Redesignating Proceedings and Accepting Successor Company's Undertakings

MAY 2, 1963.

Texaco Inc.,¹ Docket Nos. G-14194,² G-17613,³ G-18519, G-19898, RI60-61, RI60-269, RI60-445 and RI61-461.

On January 10, 1962, Texaco, Inc. (Texaco) and Texaco Seaboard, Inc. (Seaboard) filed their joint motions in the above-entitled docketed proceedings requesting that Texaco be substituted in lieu of Seaboard as the respondent. Concurrently therewith, Texaco filed its agreements and undertakings relating to the substituted proceedings.

In support of their joint motion, Movants state that effective December 31, 1961, Seaboard transferred and conveyed to Texaco all of its assets, properties and rights, with certain exceptions not pertinent hereto, and Texaco assumed all of the liabilities of Seaboard, except certain liabilities not pertinent hereto. By letter dated March 14, 1962, the Commission advised Texaco, inter alia, that Seaboard's Rate Schedules Nos. 1, 4, 5, 6, 7, 16, 17, 22, and 25 had been tentatively redesignated as Texaco's FPC Gas Rate Schedules Nos. 257, 260, 261, 262, 263, 270, 271, 274, and 277, respectively.

The Commission finds: It is necessary and proper in carrying out the provisions of the Natural Gas Act that Texaco Inc., be substituted for Texaco Seaboard, Inc., as Respondent in the above-designated proceedings, that said proceedings be redesignated accordingly, and that the agreements and undertakings filed by Texaco assuming the obligations heretofore undertaken by Seaboard, in said dockets, be accepted for filing.

The Commission orders:

(A) Texaco, Inc., is hereby substituted for Texaco Seaboard, Inc., in the above-entitled proceedings, and said proceedings are hereby redesignated in the name of Texaco, Inc.

(B) The agreements and undertakings submitted by Texaco on January 10, 1962, to assume any and all refund obligations undertaken by Seaboard in these proceedings, are hereby accepted for filing.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5024; Filed, May 9, 1963;
8:47 a.m.]

¹ Texaco, Inc., is successor to Texaco Seaboard, Inc.

² Docket No. G-14194 is consolidated in Docket No. AR61-1.

³ Docket No. G-17613 is consolidated in Docket No. AR61-2.

[Docket No. CP61-248]

EL PASO NATURAL GAS CO.

Notice of Date of Hearing

MAY 2, 1963.

Take notice that, pursuant to Notice Of Filing Of Amendment And Cancellation Of Hearing issued January 25, 1963, and published in the FEDERAL REGISTER on March 7, 1963 (28 F.R. 2255), the public hearing heretofore scheduled for February 5, 1963, by Notice Of Application And Date Of Hearing issued December 31, 1962, and published in the FEDERAL REGISTER on January 8, 1963 (28 F.R. 191), is rescheduled to be held on June 6, 1963, at 9:30 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by said application in Docket No. CP61-248: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings, pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 63-5025; Filed, May 9, 1963;
8:47 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 812-1579]

EXCHANGE FUND OF BOSTON, INC.

Notice of Application for Order of Exemption

MAY 6, 1963.

Notice is hereby given that The Exchange Fund of Boston, Inc. ("applicant"), 111 Devonshire Street, Boston 8, Massachusetts, an open-end, diversified investment company, has filed an application pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") for an order of the Commission exempting applicant from compliance with the provisions of section 14(a) of the Act. All interested persons are referred to the application on file with the Commission for a full statement of the representations therein which are summarized below.

Applicant has filed a registration statement under the Securities Act of 1933 for 1,100,000 shares of common stock, \$1 par value, to be offered to investors in exchange for securities of the character of those included in a list set forth in the prospectus. Applicant is intended as an investment vehicle for investors who wish to exchange securities they presently hold with a low Federal tax basis for shares of applicant in a simultaneous exchange on a tax-free basis. Vance, Sanders & Company, Inc., the dealer manager, and a group of securities

dealers which it will form and manage, intend to solicit deposits of securities, to be held by a depository in safekeeping for the separate account of each investor, pending consummation of the exchange. Deposits will be solicited for approximately ninety days after the effective date of the registration statement.

The minimum deposit to be accepted from any investor is to be securities having a market value of \$25,000, and the exchange will not be consummated unless the aggregate market value of the deposited securities as at the effective date of the planned exchange is a minimum of \$30,000,000. In the event that such value is not then realized, the deposited securities will be returned to investors without charge to them. If such value is obtained upon the termination of the solicitation period, a report describing the deposited securities, including their current market value and their bases for Federal income taxation, will be mailed to all depositing investors within fifteen days thereafter. The depositing investor will retain all incidents of ownership to the securities deposited, with the right to withdraw his deposited securities in whole or in part without charge at any time prior to the mailing of such report and also during the three weeks after such mailing date. Applicant will have the right to reject securities on deposit for a period of up to ten days after the end of the period during which the depositor may withdraw. All of applicant's shares which are issued in exchange for securities will be issued simultaneously on the effective date of the exchange. Each depositing investor is to represent that he will acquire shares of applicant issued to him in the exchange without any intention of distributing them in a public offering.

Section 14(a) of the Act provides, in pertinent part, that no registered investment company shall make a public offering of its securities unless such company has a net worth of at least \$100,000 or unless provision is made as a condition of the registration of its securities under the Securities Act which, in the opinion of the Commission, adequately insures (A) that, after the effective date of such registration statement, it will not issue any security or receive any proceeds of any subscription until no more than 25 responsible persons have made firm agreements to purchase securities in an aggregate net amount which will give the company a net worth of at least \$100,000; (B) that said amount will be paid in to such company before subscriptions will be accepted from any persons in excess of 25; and (C) that arrangements will be made whereby any amounts so paid in, plus any sales load, will be refunded to any subscriber on demand in the event the net proceeds so received do not result in the company's having a net worth of at least \$100,000 within 90 days after such registration statement becomes effective. Applicant presently has one share of capital stock outstanding, nominal assets, and no liabilities, and anticipates that it will have only one such outstanding share, nomi-

nal assets, and no liabilities prior to the planned exchange if the exemption sought in the instant application is obtained. Applicant submits that under the circumstances described the exemption sought would be consistent with the purposes intended to be served by section 14(a).

Section 6(c) of the Act provides, among other things, that the Commission, by order upon application, may conditionally or unconditionally exempt any person from any provision or provisions of the Act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given that any interested person may, not later than May 21, 1963, at 5:30 p.m. submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. A copy of such request shall be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon applicant, at the address set forth above. Proof of such service (by affidavit or in case of an attorney-at-law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the showing contained in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

For the Commission (pursuant to delegated authority).

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 63-5029; Filed, May 9, 1963;
8:48 a.m.]

[File No. 70-4140]

EASTERN UTILITIES ASSOCIATES

Notice of Proposed Modification of Method of Allocating Consolidated Tax Liabilities, as Reduced by Investment Credit, Among System Companies

MAY 6, 1963.

In the matter of Eastern Utilities Associates, 49 Federal Street, Boston 7, Massachusetts; Blackstone Valley Gas and Electric Company, Valley Gas Company, Brockton Edison Company, Fall River Electric Light Company, Montaup Electric Company; File No. 70-4140.

No. 92—7

Notice is hereby given that Eastern Utilities Associates ("EUA"), a registered holding company, and its subsidiary companies have filed a joint declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act") and have designated section 12(b) of the Act and Rule 45 promulgated thereunder as applicable to the transaction proposed. All interested persons are referred to the joint declaration, on file at the office of the Commission, for a statement of the transaction therein proposed which is summarized below.

Declarants annually join as a group in filing a consolidated Federal income tax return. It is stated that certain inequities in the allocation of the group's consolidated income tax liabilities, after giving effect to the investment credit allowed on Federal income tax returns under the Revenue Act of 1962, would result if the allocation were effected pursuant to the exemptive provisions of Rule 45(b)(6) under the Act. Accordingly, declarants propose to utilize a method of allocation which will give to each of the companies included in consolidated tax returns of EUA and its subsidiaries the full investment credit each company contributes to the total investment credit allowed on the consolidated returns.

The joint declaration states that no State or Federal commission, other than this Commission, has jurisdiction over the proposed transaction. Fees and expenses to be incurred in connection with the proposed transaction are estimated not to exceed \$100.

Notice is further given that any interested person may, not later than May 27, 1963, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said joint declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. A copy of such request should be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon the declarants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the joint declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 63-5030; Filed, May 9, 1963;
8:48 a.m.]

WESTERN STATES OIL AND METALS CO.

Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing

MAY 6, 1963.

I. Western States Oil and Metals Company (issuer), 408 Ness Building, Salt Lake City, Utah, was incorporated in Utah in 1936. It is engaged in oil exploration and exploratory mining. On December 17, 1962 issuer filed in the San Francisco Regional Office a Notification on Form 1-F, and certain proposed communications to stockholders, under Regulation F, pertaining to a proposed assessment of \$11,381.15 (at one-fourth cent per share on issuer's 4,552,460 shares outstanding), for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) thereof and Regulation F promulgated thereunder.

II. The Commission has reason to believe that:

A. The Notice of Assessment and Delinquent Notice filed with the Notification and proposed to be sent to stockholders contain misleading representations and omit to disclose material facts necessary to be disclosed, in order to make the statements made, in the light of the circumstances under which they were made, not misleading, with respect to:

1. Characterization of an area in which certain wells have been drilled as a "known oil & gas deposit or structure".

2. The drilling dates and depths of these wells, the names of the operators and the failure to characterize three of them as "dry holes".

3. The significance of a reported 22 bbl. per day from one of the wells.

4. The distances and directions from this area to the nearest commercially producing oil wells and gas wells and to dry holes of consequential depth.

5. The distances and directions from seven out of nine fractional interests in oil leases held in Utah and Wyoming to the nearest commercially producing oil wells and gas wells and dry holes of consequential depth.

6. The expiration dates and required annual rentals of issuer's leasehold interests.

7. The acreage of two leasehold interests in Wyoming.

8. Issuer's lack of knowledge of any commercially mineable ore body in any of its mines.

9. The actual past production of issuer's mining properties in Montana and Nevada (called the Kennedy and the Little Gem).

10. The issuer's lack of financial information indicating whether or not prior mining operations on the mining properties was profitable.

B. By reason of the foregoing matters, the offering would be made in violation of section 17 of the Securities Act of 1933.

C. Issuer and its officers, directors and promoters, have failed to cooperate with the Commission's staff.

III. It appearing to the Commission that it is in the public interest and for the protection of investors that the exemption of the issuer under Regulation F be temporarily suspended:

It is ordered, Pursuant to Rule 656(a), subparagraphs (1), (2), (3) and (4) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation F be, and it hereby is, temporarily suspended.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for hearing within thirty days after the entry of this order; that within twenty days after receipt of such request the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission, for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; that, if no hearing is requested and none is ordered by the Commission, this order shall become permanent on the thirtieth day after its entry and shall remain in effect unless or until it is modified or vacated by the Commission; and that notice of the time and place for any hearing will promptly be given by the Commission.

By the Commission.

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 63-5031; Filed, May 9, 1963;
8:48 a.m.]

[File No. 1-3421]

CONTINENTAL VENDING MACHINE CORP.

Order Summarily Suspending Trading

MAY 6, 1963.

The common stock, 10 cents par value, of Continental Vending Machine Corp., being listed and registered on the American Stock Exchange and having unlisted trading privileges on the Philadelphia-Baltimore-Washington Stock Exchange, and the 6 percent convertible subordinated debentures due September 1, 1976 being listed and registered on the American Stock Exchange; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such securities on such Exchanges and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 15c2-2 thereunder for any broker or dealer to make use of the mails or of any means of instrumentality of in-

terstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of any such security, otherwise than on a national securities exchange:

It is ordered, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange and the Philadelphia - Baltimore - Washington Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for the period May 7, 1963, through May 16, 1963, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 63-5032; Filed, May 9, 1963;
8:48 a.m.]

SMALL BUSINESS ADMINISTRATION

MANUFACTURERS' ASSOCIATION FOR NATIONAL DEFENSE (MANDCO)

Notice of Small Business Concern Withdrawn From Participation in a Small Business Defense Production, Research & Development Pool

Pursuant to sections 9(d) and 11 of the Small Business Act (72 Stat. 391, 394), and section 1 of Executive Order 10493 (18 F.R. 6583), dated October 15, 1953, notice by publication is hereby given of the following small business concern which has withdrawn from membership in the Manufacturers' Association for National Defense (MANDCO), a small business defense production and research and development pool:

M. P. Heinze Machine Co., Chicago, Ill.

The original list of applicants was published in 27 F.R. 2167 (March 6, 1962).

Dated: April 30, 1963.

JOHN E. HORNE,
Administrator.

[F.R. Doc. 63-5039; Filed, May 9, 1963;
8:48 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

MAY 7, 1963.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 38303: *Liquefied chlorine gas from Charleston, Tenn.* Filed by O. W. South, Jr., Agent (No. A4307), for inter-

ested rail carriers. Rates on liquefied chlorine gas, in tank-car loads, from Charleston, Tenn., to Johnsonville, Tenn.

Grounds for relief: Market competition.

Tariff: Supplement 123 to Southern Freight Association, Agent, tariff I.C.C. S-116.

FSA No. 38304: *Starch or dextrine to Franklin, Va.* Filed by Illinois Freight Association, Agent (No. 203), for interested rail carriers. Rates on starch, dextrine and related articles, as described in the application, in carloads, from Chicago and Peoria, Ill., to Franklin, Va.

Grounds for relief: Market competition.

Tariff: Supplement 53 to Illinois Freight Association, Agent, tariff I.C.C. 979.

FSA No. 38305: *Substituted service—NYNH&H for McLean Trucking Company.* Filed by The New York, New Haven and Hartford Railroad Company (No. 231), jointly with McLean Trucking Company, for themselves and interested carriers. Rates on property loaded in highway trailers and transported on railroad flat cars between Harlem River, N.Y., on the one hand, and Boston and Springfield, Mass., New Haven, Conn., and Providence, R.I., on the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief—Motor-truck competition.

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 63-5035; Filed, May 9, 1963;
8:48 a.m.]

[Notice 798]

MOTOR CARRIER TRANSFER PROCEEDINGS

MAY 7, 1963.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 65561, published in the January 19, 1963, issue of the FEDERAL REGISTER on page 537. Application filed May 2, 1963, for ROBERT O'NAN, doing business as O'NAN TRANSPORTATION COMPANY, P.O. Box 206, Carrollton, Ky., for temporary authority to lease the operating rights of FRANK LAMMERS, 450 Greenwell Road, Cincinnati, Ohio, under section 210a(b). By order of the Commission, the Transfer Board.

dated January 11, 1963, the transfer to ROBERT O'NAN, doing business as O'NAN TRANSPORTATION COMPANY, of the operating rights of FRANK LAMMERS, was approved. Petitions were filed and the effective date of said order was stayed. Transferee claims "grandfather" rights, in Kentucky, under section 206(a) (7) of the act, pursuant to BOR-99, in No. MC-99859 (Sub-No. 5).

No. MC-FC 65734. By order of May 2, 1963, the Transfer Board approved the transfer to Rentschler Grain Co., Rochester, Ind., of the operating rights in Certificates in Nos. MC 76294, and MC 76294 Sub 6, issued November 20, 1962 and January 19, 1948, respectively, to John Moyer, Jr., and acquired by

Everett Rentschler, Rochester, Ind., pursuant to application in No. MC-FC 65554, approved January 3, 1963, authorizing the transportation of: Livestock, agricultural commodities, feed, and fertilizer, between points in that part of Indiana on and north of U.S. Highway 40, on the one hand, and, on the other Chicago and Danville, Ill., and Cleveland and Cincinnati, Ohio; household goods and emigrant movables, between points in Pulaski and White Counties, Ind., on the one hand, and, on the other, points in Illinois, Ohio, and Michigan; fertilizer, from Louisville, Ky., to points in Indiana on and north of U.S. Highway 40, except Indianapolis and Richmond, Ind.; tomatoes, in baskets, crates, and hampers, from points in Indiana on and north of U.S.

Highway 40 to Dundee, Mich., Bowling Green and Fremont, Ohio, and Pittsburgh, Pa., from Dundee, Mich., to Chicago, Ill., from points in described portions of Ohio, to Pittsburgh, Pa.; pulpboard boxes and empty tin cans, from Austin, Ind., to Dundee, Mich., and Chicago, Ill., pulpboard boxes, machinery, and empty tin cans, from Hoopeston and Maywood, Ill., to Dundee, Mich., and canned goods from Dundee, Mich., to Chicago, Ill., and Indianapolis, Ind. William J. Guenther, 1212 Fletcher Trust Building, Indianapolis 4, Ind., attorney for applicants.

[SEAL]

HAROLD D. McCoy,
Secretary.

[F.R. Doc. 63-5036; Filed, May 9, 1963;
8:48 a.m.]

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